



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

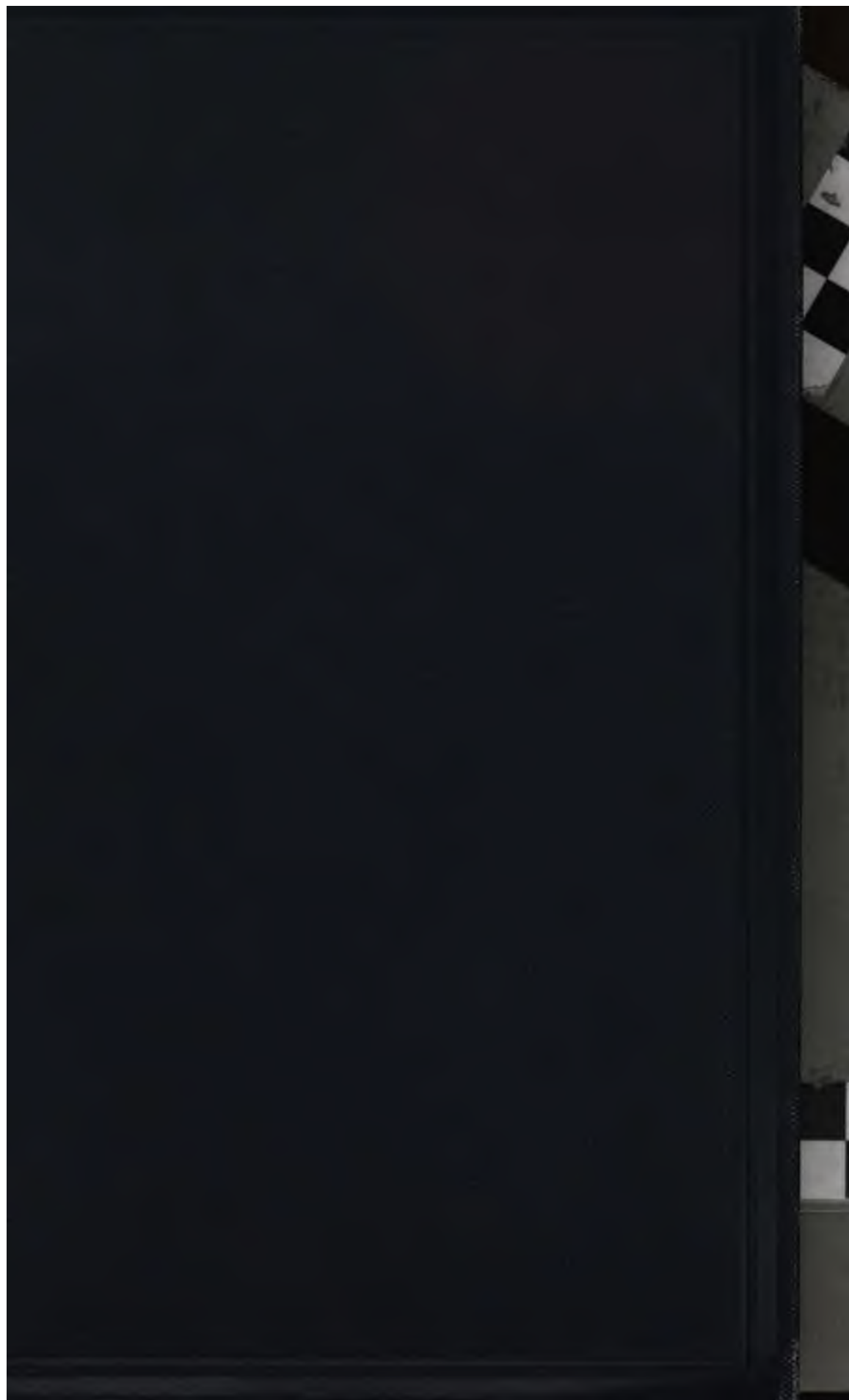
Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>



x259

93

A73

OUR TRADE IN THE WORLD

IN RELATION TO FOREIGN COMPETITION.

1885 TO 1895.

BY

WILLIAM S. H. GASTRELL,

COMMERCIAL ATTACHÉ TO HER MAJESTY'S EMBASSY AT BERLIN, AND TO H.M.'S LEGATIONS
AT COPENHAGEN AND STOCKHOLM.

LONDON : CHAPMAN & HALL, LD.

1897.

G

(All rights reserved.)

LIBRARY OF THE
LELAND STANFORD JR. UNIVERSITY.

Q. 44892

NOV 13 1900

DEDICATED
TO
THE BRITISH PUBLIC
IN THE INTERESTS OF THE IMMENSE
COMMERCE OF THE ENGLISH EMPIRE.

"It is not too much to say that commerce is the greatest of all political interests."

(Extract from Mr. Chamberlain's speech to the Birmingham Chamber of Commerce, November 14, 1896.)

TENERIFE,
December, 1896.

PREFACE.

SINCE completing this small book in December of last year, the salient points of the statistical returns of 1896 have been published. It is satisfactory to see that the total figures show a considerable further recovery, and a large advance, in most directions since 1895. Total trade has risen from £702,521,000 to £738,195,000. The various improvements are from £416,689,000 to £441,807,000 for total imports, from £285,832,000 to £296,388,000 for total exports, and from £225,890,000 to £239,922,000 for exports of domestic produce and manufacture. Our transit trade, however, as shown by the figures for re-export, dropped from £59,942,000 to £56,466,000—a serious loss to England as the emporium and market of the world.

Last year there was a greater recovery in iron and steel than in any other branch of trade. Excluding tin plates, the improvement in exportation was from £15,441,000 in 1895 to £20,777,000 in 1896. The other increases are principally in machinery, from £15,150,000 to £17,037,000, and in cotton goods from £63,746,000 to £69,381,000. Decreases are found for woollen and worsted manufactures, from £25,110,000 to £23,912,000; for tin plates, from £4,239,000 to £3,036,000; and, in a lesser degree, for fuel, linen manufactures, copper, and chemicals.

It will be most interesting to compare these results for our trade in 1896 with the corresponding German statistics, whenever these are made public. And it is to be hoped that the comparison may be in favour of our commerce.

W. S. H. G.

ST. JAMES'S CLUB,

1 February, 1897.

CONTENTS.

CHAPTER	PAGE
I. INTRODUCTION	1
II. COMPARISON OF THE TRADE OF THE PRINCIPAL NATIONS OF THE WORLD ...	9
III. FOREIGN COMPETITION	30
IV. GROWTH AND PRESENT STATE OF BRITISH COMMERCE	58
V. TRADE OF GREAT BRITAIN WITH HER COLONIES	76
VI. PART I. OUR TEXTILE INDUSTRIES	93
PART II. THE COTTON TRADE	99
VII. METALS AND THEIR MANUFACTURES	108
VIII. THE INDUSTRIAL PROGRESS OF THE GERMAN EMPIRE	126
IX. TRADE WITH JAPAN AND CHINA	139

APPENDIX.

Annex No. 1. Index to Tables (with pages) in the nine chapters	153
„ No. 2. Total imports from and exports to 27 foreign countries in 1875, 1885, 1890, and 1895	156
„ No. 3. Percentages of England and Germany compared as to their exports of domestic produce introduced into non-European countries, 1885 to 1894	158
„ No. 4. German exports of domestic produce to 15 non-European countries, 1885 to 1895	159
„ No. 5. Total values of imports from and exports to foreign countries, 1865 to 1895	160
„ No. 6. Special statistics on the trade of some foreign countries, 1875 to 1895	164
„ No. 7. Special statistics on the trade of some British Colonies, 1875 to 1895—German imports shown	173
„ No. 8. Values and quantities of British metals and their manufactures exported, 1865 to 1895	177
„ No. 9. The German commercial treaties and circumstances that led to them	179
„ No. 10. Values of all classes of English exports separately to British Possessions and foreign countries, 1885 and 1895 compared	196
„ No. 11. List of statistical books consulted	201
„ No. 12. German commercial treaty with Japan, 1896	202

ERRATA.

- Page 2, lines 22, 23, *for* often done us much harm in commerce *read* sometimes harmed us.
- " 43, last line of note, *for British Journal of Trade read British Trade Journal*, the *Eihoku Shogyo Zashi*.
- " 49, line 12, *after* that *add* heavy.
- " 76, Table 38, British North America, under TOTAL TRADE, 1895, *for* 9,994 *read* 19,994; under ANALYSIS *for* -8,727 *read* +1,273 and *for* -10,722 *read* -722.
- " 77, line 10, *after* Australasia *add* Canada.
- " 77, lines 14, 15, *omit* British North America figures for £8,727,000 less trade, and.
- " 77, line 16, *for* £2,227,000. In the case of the two latter, our trade with them last *read* £2,227,000, and West Coast of Africa with £1,860,000 less trade. In the case of Hong Kong, our trade there last.
- " 77, " 18, *for* 5 colonies *read* 6 colonies.
- " 77, " 25, *omit* £10,722,000 with British North America.
- " 77, " 26, *after* Hong Kong *add* £723,000 with British North America.
- " 118, Table 60, *for* last line *read* as follows:—
- | | | | | | | |
|------------------------------------|--|---------|--|---------|--|---------|
| Nett increase 1870 to 1895 | | + 2,037 | | + 4,397 | | + 7,781 |
| " " 1885 to 1895 | | + 583 | | + 2,101 | | + 5,402 |
- " 130, Table 67, Total export, COAL, 1885, *for* 3,995 *read* 8,995.
- " 145, line 4, *for* 73 *read* 73%.

IN APPENDIX.

- " 163, last two lines of Table, *for* 24,530,783 *read* 324,530,783; and *for* 33,729,649 *read* 233,729,649.
- " 190, to Table prefix "A."
- " 190, last line of Table, *under* Serbia, etc., *add*—
- | | | | | |
|-------------------|--|---------------|--|----------------------------------|
| Japan * | | April 4, 1896 | | 12 years after coming into force |
|-------------------|--|---------------|--|----------------------------------|
- * Is not to come into force before July 17, 1899. (W. S. H. G.)
- " 191, to Table prefix "B."
- " 191, line 21 of Table *read*—
- | | | | | |
|-------------------------|--|-------------------------------------|--|---|
| Sweden and Norway . . . | | Older treaties—like
with Denmark | | Decision of Diet of Feb-
ruary 20, 1885. |
|-------------------------|--|-------------------------------------|--|---|
- " 191, line 24 of Table, *to* Turkey, August 26, 1890,* *add* as footnote—
- * But without the conventional tariff in it coming into force. The former 8% *ad valorem* duties still levied.
- " 191, *after* Table *add* "C." (See end of Annex page 195 for other treaties not mentioned here.—W. S. H. G.)
- " 195, *after* line 12 *add*—
- NOTE.—I add here a few other treaties not mentioned by Sir C. Oppenheimer:—
"C" Treaties in which Germany has granted neither concessions nor the most-favoured Nation clause. (W. S. H. G.)

STATE.	DATE OF TREATY.	NOTE.
China	September 2, 1861	Cannot be revoked (unkündbar).
Japan	February 20, 1869	To be substituted by new Treaty (page 190).
Congo-State . .	November 8, 1894	
Corea	November 20, 1883	Cannot be revoked. Proposals to revise must be notified a year beforehand.
Samoa	January 24, 1879	
Siam	February 7, 1862	Cannot be revoked. Any proposal to revise must be notified one year beforehand.

[P.T.O.]

Pago 196, in Table 10,	Arms, swords, etc., col. 6, <i>for 814 read (814).</i>
" "	Carriages, etc., railway carriages, col. 10, <i>for +27 read -27.</i>
" "	Clay, col. 4, <i>for -13 read +13.</i>
" 197,	Coals, products, etc., col. 10, <i>for -716 read +716.</i>
" "	Copper, wrought, etc., col. 8, <i>for 972 read 361; and col. 10, for -343 read +268.</i>
" "	Cotton, twist, etc., col. 9, <i>for 7,455 read 11,290; and col. 10, for -4,410 read -575.</i>
" "	Cotton, manufactures, etc., printed, cols. 8-10, <i>read 17,705 13,548 -4,157.</i>
" "	Glass, other manufactures, etc., col. 10, <i>for -81 read +81.</i>
" "	Hops, col. 10, <i>for -3 read -33.</i>
" 198,	Implements, unenumerated, col. 8, <i>for 587 read 577.</i>
" "	Iron, pig, col. 4, <i>for +66 read -66.</i>
" "	Iron, puddled, col. 7, <i>for -4 read +4.</i>
" "	Lead, rolled, col. 8, <i>for 201 read 151; and col. 10, for +57 read +106.</i>
" "	Linen—Plain, col. 8, <i>for 3,653 read 4,013; and col. 10, for -165 read -525.</i>
" 199,	Machinery—Locomotive, col. 4, <i>for +762 read -762.</i>
" "	Machinery—Other descriptions, col. 7, <i>for +3,201 read +3,202; col. 9, for 10,015 read 10,656; and col. 10, for +3,503 read +4,234.</i>
" "	Manure, col. 7, <i>for -412 read +217.</i>
" "	Metals, col. 7, <i>for +50 read -50.</i>
" "	Oils, col. 9, <i>for 1,008 read 1,319; and col. 10, for -706 read -395.</i>
" "	Painters' colours, col. 7, <i>for -234 read +234.</i>
" "	Seeds, col. 9, <i>for 263 read 183; and col. 10, for +60 read -14.</i>
" "	Silk—Ribbons, col. 7, <i>for -2 read +2.</i>
" "	" Lace, col. 10, <i>for -14 read -40.</i>
" 200,	Skins, col. 8-10, <i>for 840 1,087 +247 read 286 320 +34.</i>
" "	Soap, col. 8, <i>for 474 read 479; and col. 10, for +284 read +277.</i>
" "	Sugar, refined, col. 9, <i>for 574 read 564; and col. 10, for -188 read -198.</i>
" "	Woollen—Hosiery, col. 7, <i>for +81 read +87.</i>

OUR TRADE IN THE WORLD.

CHAPTER I.

INTRODUCTION.

THE subject of British trade is, undoubtedly, one of paramount importance at the present time. Various circumstances have combined to make it so, amongst which may be mentioned the general depression of commerce which has taken place during the last few years all over the world, the rapid expansion of the German Empire as an industrial nation, and the prevalent conviction that our foreign trade has been unduly losing ground in some directions, whereas, at the same time and under identical circumstances, that of other countries has not decreased to an equal extent. On the contrary, it is believed that, while we have lost a portion of foreign markets for some of our staple manufactures, other and newer industrial States have succeeded in displacing a portion of our time-honoured productions by similar articles of their own manufacture. Such a belief, however little founded on fact, is sufficient to alarm the public. And, unfortunately, there is every reason to fear that there has been, in many parts of the world, a considerable increase of the trade of some foreign nations at the expense of that of Great Britain. It is argued that, even if this were the case, such greater expansion of the trade of rival countries might not be without compensation to us in other directions, inasmuch as it obtains for them increased purchasing power wherewith to buy other classes of our commodities. It is not my purpose here to enter into controversial points on such questions, though it may be on a later occasion. My avowed object in this book is merely to lay before the British public a clear unvarnished statement of facts, so far as they can be gathered from official sources. I leave the public to judge for themselves, after reading the facts here elaborated, whether there is not,—in spite of all that optimists may

K

B

persistently urge to the contrary,—serious cause for apprehending that our foreign trade is by no manner of means in such a satisfactory condition as we are led to believe in many quarters. Some people go to the other extreme, and take an utterly pessimistic view of the situation, which is as unreasonable as it is unnecessary. But what does seem to be inevitable, from the investigations made here, and which, on a later occasion, may be carried much further, is that, if we wish to retain our position as the greatest commercial nation of the world, we shall now have a hard fight before us.

Our overwhelming supremacy, commercially and industrially, is not the assured fact it once was. We are no longer in that enviable position of former days when we had no serious competitors in the world's markets for our manufactured products. The good old days are gone: and now, with the evolution and progress of all nations, we have new conditions to face and contend with. What some of them are, I shall attempt to point out in these pages. To what extent we have often neglected to realise the importance of these changed conditions and to make the necessary corresponding alterations in our world-wide commerce, I shall also do my best to explain. There is no doubt whatever that we have neglected many opportunities. As a nation, we are apathetic, conservative, and slow to adapt ourselves to new conditions. As a mercantile nation, these national characteristics have often done us much harm in commerce. Other countries have been quick to profit by them, and have but too successfully turned them to their own advantage, when they first began to think of ways and means of insinuating themselves into foreign markets where we had hitherto practically possessed a monopoly for most industrial products. We had enjoyed for so many years, in different parts of the world, such a virtual monopoly of markets for our manufactures that we failed to notice the steadily increasing introduction of similar foreign-made goods, and, if we did, despised them. This unbounded confidence in our practical monopoly and unassailable supremacy in trade was never for a moment even shaken. But foreign competition, having once acquired a footing, gradually attained formidable dimensions. Blinded by our self-sufficiency, we showed unutterable apathy in such trade matters until recent years, when the public awoke at last to find that things were not quite as they ought to be, or, rather, were not as they used to be in the bygone days of British trade.

Whether we shall be able in the future to retain our supremacy in

commerce and industries at even its present level or not, is a grave consideration, deserving of the closest attention of statesmen to-day. We cannot forget that our great industrial rise was mainly due to the extensive discoveries and rapid development of coal in the northern counties, where our manufactures are now principally centred. Our position as the coal-mine of the world was unique for many years, and afforded us inestimable advantages, by furnishing plentiful and cheap fuel for our industrial evolution ; whereas other countries, for want of a cheap coal supply of their own, could only start manufactures on a large scale by obtaining their supplies of fuel from us, which considerably reduced the profits of any attempt to compete with England. Up to thirty years ago, Great Britain had, practically, no rival in coal production. In 1850 our mines yielded about 50 million tons, or two-thirds of the whole out-put of the world, as compared with a production of some 10 millions only in the beginning of the century, and with 29 millions in 1830. The development of the resources of the United States and of the Continent as regards fuel is comparatively recent. But they are now supplying large amounts of coal which, formerly, was not the case. In the East, even Japan and India now furnish considerable quantities. The following notes will give some idea of the yield abroad in late years.

Our coal production stood at 110 million tons in 1870, and at 188 millions in 1894 ; that of the United States, in the same years, was 32 and 152 millions respectively ; while, on the Continent in the former year, that of German and French coal reached 26 * and 13 millions each, and, in the latter, 76 and 27 million tons. Austria is credited with 25 in 1891, Belgium with 20 in 1892, and Russia with 6 in 1890. With this daily increasing production of foreign fuel, the immense advantage, formerly afforded us by this all-powerful factor in the economic development of our industries, is getting less and less. This seems to be a point sometimes rather overlooked when considering foreign competition in relation to our industrial future. The German Empire, for instance, is now becoming our rival even in exporting coal to a distant country like Roumania. This year 30,000 tons are being delivered at Galatz *viâ* the Rhine and Rotterdam. Here is unexpected competition in a new direction in our most important national product : and it is a good instance of the indomitable energy of our rivals in pushing trade. Let us, therefore, take care that Germany does not

* Exclusive of lignite for Germany.

obtain further orders from other countries, such as Roumania, where we have hitherto exclusively supplied all the coal required. The fact that Germany gets such a commission, though more distant than we are from the mouths of the Danube, is proof enough that she is able to execute it more cheaply than we can. Here, then, there is fresh ground for anxiety, as it is understood that her new canal system is particularly designed to bring the rich industrial north-western districts into easier communication with the sea, which will greatly facilitate the export of Westphalian coal even to Great Britain, and cause a further cheapening of some of her industrial products. France already consumes 2 million tons of German coal a year, while Belgium and England each supply 5 millions to complete the 12 million tons still required in excess of local production. A great effort was made quite recently to exclude even that quantity of British fuel from France, by an adjustment of railway freights in order to favour an increase of the out-put of French mines.

Two interesting facts may here be mentioned. The first is that Japan, having already more coal than she requires locally, now exports about $1\frac{1}{2}$ million tons yearly, some of which is sold in India, and is as good as Indian and cheaper than ours. The second is that Germany is sending large quantities of coke to Australia, where it now competes with that from England.

Questions of foreign trade abound in difficulties. So many factors enter into this complex question that it is far from easy to obtain any definite, clear idea of its true bearings without the closest study of the statistics of all nations. Our foreign trade may be declining; but, at the same time, that may equally be the case with that of other countries. To be able to judge, therefore, whether English trade is gaining or losing ground to a greater extent than is warranted by the fact of universal prosperity or depression, one must compare it in the first instance with that of other nations. This, then, will be the subject of my second chapter.

I wish to point out that the particular object of this book is to deal with the special interval comprised between 1885, 1890, and 1895,—or a period of eleven years. They are all three rather remarkable years, and fair ones for comparison. Briefly speaking, 1885 was one of extreme depression all over the world, and especially in Great Britain; 1890 was, on the contrary, one of great prosperity; while a considerable revival of trade, after several years of depression, is the chief characteristic of 1895. To each table, illustrating the upward or downward

movement of commerce, I annex an analysis of the results of trade in those special years, which indicates graphically its rise or fall on comparing the years 1890 and 1895 with 1885, and also the result of a comparison of 1895 with the year 1885. And it is particularly to this latter comparison that I would draw attention. If, on comparing the statistics of the revival of trade in 1895 with those of its great depression in 1885, we find that in some directions our position in the former year is no better, but even worse in certain cases than in the latter, what can we do but conclude that the state of British commerce is somewhat alarming, and requires the very best attention of England and her statesmen? Even if we find that, from 1890 to 1895, our foreign trade has considerably declined, there is still good ground for anxiety on the part of the public. In both these specific comparisons I fear to have to chronicle some rather startling figures (in the course of the following pages), the vital importance of which is not yet in the least realised, as it should be, by our vast trading community, to whom it is hoped that this small volume will be of some value in studying the momentous commercial questions of the day.

Before considering actual figures for the three years 1885, 1890, and 1895, especially selected for investigation in this book, their chief characteristics will be now set forth in greater detail, in order to show that for England the comparison of 1895 with 1885 is even more unsatisfactory than bare figures explain. In looking down the columns of the total value of our foreign trade in the last sixteen years, we see that the sum of £642,408,928 in 1885 is the lowest point but one (that of 1886 with £618,822,935) reached in all that period. Now, on the other hand, 1895 is admitted on all sides to be one of a considerable revival in most directions, and its total value of foreign trade stands at £702,522,065, or higher by £20,000,000 than it did in 1894. The years 1893 and 1894 saw British trade in a most depressed state, with totals of £681,826,448 and £682,130,677, or lower figures than had ever before been touched since 1887. The year 1890, which I also quote in tables, is the middle point of the period of eleven years here dealt with in detail. That year shows a foreign trade of £748,944,115, the highest point ever reached in the annals of our commercial history—the zenith of our foreign trade. That year also witnessed the largest exportation, by £15,000,000, of British produce and manufactures ever recorded, namely of £263,530,585. In almost every direction 1890 was a most prosperous year.

As regards fall in values of our staple produce and manufactures since 1885, a good many show a decrease, but others have even increased. Some of the improvement in value of our exports for the latter half of 1895 is attributable to improved prices, which just before had been particularly low. In shipbuilding there was an enormous reduction in 1885 and 1886, which revived in 1889 and the two subsequent years, only to fall again in 1894, until it nearly touched the figures of 1888, or a production of 669,000 tons of merchant shipping. The value of coal and metals produced in the United Kingdom in 1885 was £80,055,000; in 1890, £100,802,000; and in 1894,* £80,900,000. Lastly, the population of Great Britain in 1885, 1890, and 1895, is estimated at 36, 37½ and 39 millions respectively.

I am greatly indebted for much valuable information to all the Board of Trade publications and statistics, as also to those of the Custom House, and to hundreds of diplomatic and consular reports for recent years. My thanks are due to many officials, both in England and on the Continent, who have kindly helped me to obtain special figures for this work.

Let me observe that, with few exceptions, all my statistics are based on the official returns of most foreign Governments, as well as on our own excellent publications, of which a list of those consulted by me is annexed in the appendix, so that they can be studied in greater detail in the original, if requisite. No doubt errors will have occurred here and there in compiling tables, but it is hoped that they are very few, as every care has been taken to make them absolutely correct. "Humanum est errare."

I propose, in a sequel to this volume, to analyse in exactly the same way the trade of the most important foreign countries of the world for this special period, 1885 to 1895, and even further back, in order to discover what foreign commodities are displacing ours abroad, and whence they come. The growth of industries in each nation, which specially compete with our manufactures, will also be investigated so far as reliable information is obtainable from the countries themselves and their statistical publications.

In analysing statistics in these pages, use is invariably made of a comparison of nett increases or decreases in value with their corresponding percentages of rise or fall. Either of these two forms of comparing figures does not, by itself, convey an entirely correct

* 1895 figures not obtainable.

impression of progress or retrogression, especially in the case of percentages—so often spoken of as the “percentage fallacy.” But the combination of both does afford a tolerable, if not perfectly satisfactory, insight into the vicissitudes of commerce. In tables, dealing with special branches of trade, quantities are also similarly analysed. A further and new form of comparison for international trade, when examining imports for home consumption and exports of domestic produce, is employed by me in chapter ii. on comparing the values of trade of the principal nations of the world, and when ascertaining what are the percentages of foreign countries’ imports that we enjoy for our exports.

The whole question of foreign competition with our commerce must be investigated under three distinct heads. These three component parts, which together build up and constitute trade, are—

I. Education. II. Production. III. Distribution.

“Education” comprises the whole system of instruction, not only that part which forms the ordinary *curriculum* (elementary and secondary teaching) of every one before entering into a profession or trade, but also the practical, technical, and scientific education or facilities given to a man, after passing that stage, when he joins the serried ranks of producers and distributors of a nation’s wealth.

Under “Production” is meant the whole system of production, whether industrial, agricultural, or any other. Into this question enter largely the results of the different forms of education and their application—whether practical, technical, or scientific—to the elaboration of national produce, as do also the complicated and controversial points of State-aid, bounties, tariffs, etc.

By “Distribution” is understood the disposal by sale of all industrial, agricultural, or other products. Here, also, the question of education and training enters largely, as does also that of practical ingenuity, ability, and aptitude in conforming to the requisites of modern trade. State aids, etc., also figure under this head.

The prosperity of any nation’s commerce must, necessarily and to a great extent, be the result or outcome of the relation that the efficiency of these three distinct divisions bears to trade as a whole. “Production” and “Distribution” depend far more than most people think on “Education.” If, as is generally admitted, German education in some branches (technical and scientific, for instance) is superior to ours, can we be surprised if their “production” and “distribution”

may also prove to be in advance of ours in some respects? In the interests of our immense commerce, each of these three parts now requires thorough and separate investigation. And it would be advisable to compare every detail of the successful German system with every item of the corresponding British method.

In this book I do not touch on any of the multifarious and difficult points arising out of "Education" and "Production" (Parts I. and II.). A really adequate inquiry into these two intricate subjects can only be satisfactorily and properly made by experts in such matters. But in chapter iii., on "Foreign Competition," and elsewhere in later chapters, I do deal with "Distribution" (Part III.), in so far as it concerns the selling abroad of the manufactures of Germany and other nations, after having myself made a detailed study of this subject.

In conclusion, it would seem that German commerce has prospered, and has unduly encroached on ours, in some places, in numerous articles of manufacture, from a distinct superiority in special points under the three heads of "Education," "Production," and "Distribution."

CHAPTER II.

COMPARISON OF THE TRADE OF THE PRINCIPAL NATIONS OF THE WORLD.

A COMPARISON of the trade of Great Britain with that of other nations is the subject of this second chapter. The particular object I have in view is to obtain some idea of the relative prosperity, in late years, of our commerce and of that of other countries,—a task difficult of achievement, and not very satisfactory in the end, as the statistics of all nations are not, unfortunately, drawn up on a uniform basis. Exact comparisons are, therefore, in many cases impossible. Besides, whatever period of years one may select to compare, the starting-point may be one of exceptional prosperity for some States and, at the same time, be one of extraordinary depression for others, so that the comparison does not always start from exactly the same standpoint for all. And this may also be the case for any particular year compared therewith. Such complications are unavoidable; and any comparisons at all can only be approximate. But, nevertheless, it is desirable to obtain a general idea of what other commercial countries are doing: and some of the results are not quite what one expects as to their relative importance and progress.

Before attempting to analyse British trade as a whole for my eleven-year period, from 1885 to 1895, we will examine the statistics of other States, in order to ascertain if the rising prosperity of our trade from 1885 to its acme in 1890, and its subsequent decline to 1895 is an isolated instance of its kind, or whether we find similar increases and decreases elsewhere. If a like movement has taken place universally, our loss since 1890 need not alarm us so much as it otherwise would, for it may then be attributed to a general decline of the

world's trade, which will have equally affected that of other commercial nations.

Unfortunately the 1895 statistics for all nations are not yet available, so that I have had to reduce this part of the inquiry to the decade 1885 to 1894, for which complete figures exist in the admirable publications of the Board of Trade, on the recorded statistics of which this chapter is founded.

European countries are first dealt with,* Greece being excluded, as no returns exist for 1885. Total trade is not given here, as it is more satisfactory to examine imports and exports separately. Germany has, most unfortunately, to be left out in the comparison of total imports and exports, for in 1891 and since that year the value of the transit trade has not been computed and included in the total figures, as was the case prior to that time. It will be noticed that in the following tables some countries are omitted; where this is the case, it results from impossibility of making a comparison on account of some States giving both "general" and "special" returns, while others have only the one or the other. In studying this book it will be remembered that abroad "general" returns mean total imports and exports, and that "special" mean imports for home consumption and exports of domestic produce only. The progress of the principal nations from 1885 to 1894 will now be analysed.

I would mention here, before quoting any statistics for the German Empire, that, prior to 1889, the Hanse towns were not included in the German Zollverein (on which the statistics of Germany are based), and do not figure in them, therefore, for 1885. This, I am aware, detracts from the value of some of the following figures for that country in this book, as regards a comparison with 1885; but it is unavoidable after having once selected that year as the starting-point of comparison throughout these pages in order to compare on a uniform basis. In 1885 the "special" exports to those parts of the German Empire, not included in the Zollverein, amounted to £34,653,000. A part of this exportation was really a transit trade through those ports to other foreign countries; and, consequently, a considerable portion of it should be credited to them in addition to the figures already assigned to them in German statistics for that year. A further allowance has to be made for the domestic products of the Hanse towns themselves. In imports for

* The figures for Greece are, for imports, £4,831,000 in 1890, and £4,398,000 in 1894; and for exports they are respectively £3,832,000 and £2,972,000.

1885 this question of these towns also, naturally, enters. But it is to be observed that a part of Hamburg (the "Freihafen Hamburg"), Heligoland and parts of Baden are still outside the Customs Union; so that a fairly large sum can be deducted for these places from the above total in 1885, making the quantitative difference far smaller than one would think at first sight. Some allowance must, however, always be made for all German 1885 figures on this score. From 1889 onwards, any comparison with Germany is quite correct.

NO. 1. COMPARISON IN £1000 OF TOTAL IMPORTS OF EUROPEAN COUNTRIES, 1885-94.

COUNTRY.	1885.	1890.	1894.	+ or - Value '94 v. '85.	+ or - % '94 v. '85.
	£	£	£	£	Per cent.
1. Great Britain	370,968	420,692	408,345	+ 37,377	+ 10
2. Roumania	10,742	14,512	16,886	+ 6,144	+ 57
3. Denmark	13,845	17,057	19,387	+ 5,542	+ 40
4. Belgium	103,103	127,566	108,123	+ 5,020	+ 5½
5. Norway	8,089	11,592	11,444	+ 3,355	+ 41½
6. Portugal *	8,358	12,316	† 10,813	+ 2,455	+ 29
7. Bulgaria	1,762	3,381	3,969	+ 2,207	+ 125
8. Spain	29,504	35,913	31,185	+ 1,681	+ 5½
9. Sweden	18,709	20,893	19,510	+ 801	+ 4½
10. France	197,200	218,096	191,796	- 5,404	- 2½
11. Italy ‡	60,975	55,218	46,097	- 14,878	- 24½

* Includes bullion and specie.

† Provisional figures.

‡ Includes silver and bullion.

In absolute increased value for the decade, Great Britain comes first with £37,377,000, and France last with a diminution of £14,878,000. But our improvement of only 10% in 1894 over 1885 is lower than that of five other listed countries.

Imports merely for home consumption are now tabulated, but England has to be excluded in comparisons of particular classes of imports as, in our statistics, this distinction is not made, though they can be obtained indirectly and approximately for our trade as a whole by deducting from our total imports the sum total of re-exports of foreign and colonial origin, as is done in the table on the following page. Great Britain, then, stands second on the list, with an increase of £37,775,000, or 12%, but comes after Germany.

No. 2. COMPARISON IN £1000 OF IMPORTS FOR HOME CONSUMPTION
OF EUROPEAN COUNTRIES, 1885-94.

COUNTRY.	1885.	1890.	1894.	+ or - Value '94 v. '85.	+ or - % '94 v. '85.
	£	£	£	£	Per cent.
1. German Empire	147,220	208,105	198,165	+ 50,945	+ 34
2. Holland	89,393	107,644	120,603	+ 31,210	+ 35
3. Russia	43,417	41,607	55,957	+ 12,540	+ 28
4. Austria-Hungary	46,496	50,894	58,208	+ 11,712	+ 24
5. Belgium	53,882	66,885	62,982	+ 9,100	+ 17
6. Switzerland	28,684	40,101	35,234	+ 6,550	+ 23
7. Denmark	12,383	14,906	17,056	+ 4,673	+ 37½
8. Norway	7,857	11,222	11,001	+ 3,144	+ 40
9. Portugal *	7,364	9,969	18,024	+ 660	+ 9
10. France	163,536	177,476	154,016	- 9,520	- 5½
11. Italy †	58,395	52,786	43,786	- 14,609	- 24
England §	312,608	362,916	350,383	+ 37,775	+ 12

* Includes bullion and specie.

† Provisional figures.

‡ Includes silver bullion.

§ Total imports less re-exports of Foreign and Colonial produce.

In these imports for home consumption Germany heads the list with £50,945,000, but, in percentage, Norway with 40%, Denmark with 37½%, and Holland with 35% are above her improvement of 34%. France and Italy show enormous reductions in consumption of foreign articles.

But, for the objects of this book, exports are far more important, especially that part comparing the exportation of purely British produce with that of the domestic products of other foreign countries.

No. 3. COMPARISON IN £1000 OF TOTAL EXPORTS OF EUROPEAN
COUNTRIES, 1885-94.

COUNTRY.	1885.	1890.	1894.	+ or - Value '94 v. '85.	+ or - % '94 v. '85.
	£	£	£	£	Per cent.
1. France	158,232	193,608	164,984	+ 6,752	+ 4½
2. Denmark	8,844	12,991	14,648	+ 5,804	+ 66
3. Sweden	13,675	16,909	16,590	+ 2,915	+ 21½
4. Italy *	40,601	38,271	43,371	+ 2,770	+ 6½
5. Turkey	11,518	13,655	14,015	+ 2,497	+ 21
6. Great Britain	271,474	328,252	273,786	+ 2,312	+ 0½
7. Portugal †	6,090	7,194	18,169	+ 2,079	+ 33½
8. Roumania	9,919	11,038	11,768	+ 1,849	+ 18
9. Norway	5,663	7,283	7,333	+ 1,670	+ 29
10. Bulgaria	1,795	2,842	2,914	+ 1,119	+ 65
11. Belgium	96,780	117,926	96,982	+ 202	+ 0½
12. Spain	27,529	37,297	26,772	- 757	- 2½

* Includes silver bullion.

† Includes bullion and specie.

‡ Provisional figures.

Here, in total exports, France has the largest absolute increase for the decade with £6,752,000, representing 4½% more in 1894 than in 1885. Great Britain is only sixth on the list, with £2,312,000 increased value, five other European nations (including even Turkey) ranking above her. In percentages, her position is far worse. In fact, with an improvement of only 4%, she stands below all European listed States, excepting only Belgium and Spain. This does not speak well for her carrying trade *via* English ports, which has made her the emporium and market of the world. The percentages of improvement of trade, for total exports, are 66% for Denmark, 65% for Bulgaria, 33½% for Portugal, 29% for Norway, 21% for Turkey, 21½% for Sweden, and 18% for Roumania. Denmark, Portugal, Norway, Turkey, Roumania, and Bulgaria are the only countries showing a steady development in each successive tabulated year of the decade.

We now come to what may be considered the crucial test and foundation of national prosperity, namely, the exports of purely domestic production.

NO. 4. COMPARISON IN £1000 OF EXPORTS OF DOMESTIC PRODUCE OF EUROPEAN COUNTRIES, 1885-94.

COUNTRY.	1885.	1890.	1894.	+ or - Value '94 v. '85.	+ or - % '94 v. '95.
	£	£	£	£	Per cent.
1. Holland	74,106	90,137	92,709	+ 18,603	+ 24½
2. Russia	53,865	70,510	68,447	+ 14,582	+ 27
3. Austria-Hungary	56,007	64,281	66,288	+ 10,281	+ 18
4. German Empire	143,015	166,405	148,130	+ 5,115	+ 3½
5. Denmark	7,383	10,839	12,317	+ 4,934	+ 67
6. Belgium	48,000	57,481	52,147	+ 4,147	+ 8½
7. Italy *	38,022	35,838	41,060	+ 3,038	+ 8
8. Great Britain	213,081	263,531	215,824	+ 2,743	+ 1¼
9. Norway	5,431	6,913	6,891	+ 1,460	+ 26
10. Portugal †	5,096	4,846	15,380	+ 284	+ 5½
11. Switzerland	26,790	28,974	26,920	+ 130	+ 0½
12. France	123,524	150,136	123,124	- 400	- 0¼

* Includes silver bullion.

† Including bullion and specie.

; Provisional figures.

In improved nett value the United Kingdom can only show a sum of £2,743,000 for the ten years, and merely holds in 1894 an eighth place in importance in this respect on the European list. Above her we find Holland, with £18,603,000, Russia with £14,582,000, Austria-Hungary with £10,281,000, the German Empire with £5,115,000, Denmark with £4,934,000, Belgium with £4,147,000, and Italy with £3,038,000.

These figures are sufficient to warrant anxiety; but, when we find that our percentage of improvement is only $1\frac{1}{4}\%$ in the decade, or lower than that of nine European nations—namely, Holland, Russia, Austria-Hungary, the German Empire, Denmark, Belgium, Italy, Norway, and Portugal—I think that this central fact alone is sufficient to justify the demand of the British public that the whole question of our trade abroad and of foreign competition shall be the subject of thorough investigation.

Our present Government have seen the necessity for action in this matter, and are making strenuous efforts to ascertain the causes of the success of foreign competition. As Mr. Chamberlain said in his recent speech to the Birmingham Chamber of Commerce (November 4, 1896)—“All the great Offices of State are occupied with commercial affairs. The Foreign Office and the Colonial Office are chiefly engaged in finding new markets and in defending old ones. The War Office and Admiralty are mostly occupied in preparations for the defence of these markets, and for the protection of our commerce. The Board of Agriculture and of Trade are entirely concerned with those two great branches of industry. Even the Education Department bases its claims upon public money on the necessity of keeping our people well to the front in commercial competition which they have to sustain; and the Home Office finds the largest scope for its activity in the protection of the life and health of manual labourers who are engaged in those industries. *Therefore, it is not too much to say that commerce is the greatest of all political interests*, and that that Government deserves most the popular approval which does the most to increase our trade and to settle it on a firm foundation.”

To return to our table of the domestic exports of European nations in the decade 1885 to 1894, we find that Denmark, with 67%, shows the greatest advance, Russia coming next with 27%, then Norway with 26%, Holland with $24\frac{3}{4}\%$, and Austria-Hungary with 18%. The minor improvements are $8\frac{1}{2}\%$ for Belgium, 8% for Italy, $5\frac{2}{3}\%$ for Portugal, $3\frac{1}{2}\%$ for the German Empire, $1\frac{1}{4}\%$ for Great Britain, and $\frac{1}{2}\%$ for Switzerland. France actually shows a falling-off of $\frac{1}{4}\%$. Steady increases, in the three consecutive mentioned years, are found for Holland, Austria-Hungary, and Denmark. The others, with the exception of Italy and Portugal, show an upward movement from 1885 to 1890, and a decline from 1890 to 1894. So that it may be said that, in this last table especially, and also in the foregoing ones, the commerce of Europe does seem, to a

certain extent, to have universally fluctuated in the direction of a flow from 1885 to 1890, and of an ebb from 1890 to 1894. But there are marked exceptions with some rapid developments of trade, even from 1890 to 1894, in which the United Kingdom has no part, with the exception of that to Germany, Russia, and South Africa. Moreover, our improvement in the decade is, as has been shown above, substantially below that of many other countries, both in absolute value and percentage. This being, undoubtedly, the case, the following chapters are devoted to an attempt to partially ascertain in what quarters of the globe our losses chiefly lie; and, in the second place, to fathom some of the main causes in foreign lands which may have operated to bring about some part of this lamentable result, while leaving on one side all the other questions of cheaper production and better education for more competent persons to discuss.

The growth of the imports of non-European countries is now tabulated for all those that have statistics for "special" imports and exports.

No. 5. IMPORTS FOR HOME CONSUMPTION OF NON-EUROPEAN COUNTRIES
IN £1000.

COUNTRY. "Special" Imports.	1885.	1890.	1894.	+ or - Value '94 v. '85.	+ or - % '94 v. '85.
	£	£	£	£	Per cent.
1. United States	117,087	161,828	131,679	+ 14,592	+ 12
2. Japan	5,719	13,285	13,241	+ 7,522	+ 131½
3. Chile	8,353	14,144	14,216	+ 5,863	+ 70
4. China	23,336	32,965	25,919	+ 2,583	+ 10½
5. Egypt	9,223	8,291	9,507	+ 284	+ 3
6. Argentine Republic	18,444	28,448	18,558	+ 144	+ 0½
7. Uruguay	5,266	6,743	4,958	- 308	- 6
8. Mexico (General Imports)	7,467	10,837	6,310	- 1,157	- 15
9. Venezuela	2,348	3,345	?	?	?

1. Ending June 30th. 3. Includes bullion and specie, 25% below real value. 5. Inclusive up to 1891 of articles imported under the "Rafsch." 6. Includes silver bullion; are 25% below real value. 7. 25% below real value. 8. Includes bullion and specie to June 30th. 9. 25% below real value.

All but Mexico (for which only "general" returns exist) and Uruguay show progress; and the most prominent of all is Japan, with £7,522,000 and 131%, though the United States show an advance of £14,592,000, but with only 12% improvement.

We now turn to the exports of domestic produce for these same nine States.

NO. 6. EXPORTS OF DOMESTIC PRODUCE OF NON-EUROPEAN COUNTRIES
IN £1000.

COUNTRY. "Special" Exports.	1885.	1890.	1894.	+ or - Value '94 v. '85.	+ or - % '94 v. '85.
	£	£	£	£	Per cent.
1. United States	151,392	176,103	181,084	+ 29,692	+ 19
2. Mexico (General Exports) . .	9,723	13,021	16,530	+ 6,807	+ 70
3. Japan	6,326	9,080	12,276	+ 5,950	+ 94
4. Chile	10,679	14,248	15,051	+ 4,372	+ 40½
5. Argentine Republic	16,776	20,164	20,338	+ 3,562	+ 21
6. China	17,199	22,603	20,483	+ 3,284	+ 19
7. Uruguay	5,261	6,060	6,975	+ 1,714	+ 33
8. Venezuela	3,606	4,037	4,306	+ 700	+ 19
9. Egypt	11,723	12,185	12,203	+ 480	+ 4

N.B.—Notes to import table above apply equally to this.

The result here is that the United States heads the list with £29,692,000, but with merely an advance of 19%, whereas Japan, with £5,950,000, shows an improvement of 94%, and Mexico * one of £6,807,000 with 70%.

Comparing the nett increased value of the exportation of our merchandise of British origin for the decade, £2,743,000, with that of these non-European States, our position would be merely seventh on the above list, or lower than that of the United States, Mexico, Japan, Chile, the Argentine Republic, and China. As regards percentage of improvement in the ten years, we rank below the whole nine; no other listed country outside Europe shows such a slight advance as 1¼%!

Here again, then, the comparison of our progress in the decade with that of countries, even outside Europe, is so unfavourable to us as to give ample cause for most disquieting thoughts on our present commercial status in the world.

The following table † is instructive in comparing the comparative values and percentages of the imports and exports of manufactured articles only in European countries and the United States. England has necessarily to be omitted, as our statistics do not permit of this distinction on similar lines without an enormous amount of research, the time for which is not at my disposal at present. This table gives absolute increase of value for manufactures, and the percentage, in each case, that it bears to the total, whether for imports or exports. This enables an idea to be obtained of their comparative progress from 1885 to 1894.

* "General" returns only.

† Compiled from our Board of Trade figures.

No. 7. VALUES AND PERCENTAGES OF MANUFACTURED ARTICLES ONLY.*

COUNTRY.		IMPORTS FOR HOME CONSUMPTION.				EXPORTS OF DOMESTIC PRODUCE.			
		1885.	1890.	1894.	+ or - '94 v. '85.	1885.	1890.	1894.	+ or - '94 v. '85.
Austria . . .	Value in 1000 gulden . .	259,200	279,300	337,600	+ 78,400	367,800	383,900	362,500	- 5,300
	Percentage of total . . .	46.5	45.7	48.3	+ 1.8	54.7	49.8	45.6	- 9.1
France . . .	Value in 1000 francs . .	610,300	650,100	548,300	- 62,000	1,630,900	1,999,000	1,657,200	+26,300
	Percentage of total . . .	14.9	14.6	14.2	- 0.7	52.8	53.3	53.9	+ 1.1
Germany . . .	Value in 1000 marks . .	840,000	981,000	835,000	- 5,000	1,800,000	2,147,000	1,879,000	+79,000
	Percentage of total . . .	28.5	23.6	21.0	- 7.5	62.9	64.5	63.4	+ 0.5
Holland . . .	Value in 1000 gulden . .	258,588	236,290	271,948	+ 13,360	226,980	268,009	243,156	+16,176
	Percentage of total . . .	23.7	18.2	18.6	- 5.1	25.5	24.7	21.8	- 3.7
Italy . . .	Value in 1000 lire . . .	452,455	318,618	241,997	-210,458	148,820	137,800	172,708	+23,888
	Percentage of total . . .	30.8	24.2	22.1	- 8.7	15.2	15.8	16.7	+ 1.5
Russia . . .	Value in 1000 credit roubles	83,073	77,710	†?	?	16,871	27,968	†?	?
	Percentage of total . . .	19.1	19.1	?	?	3.1	4.0	?	?
Switzerland . .	Value in 1000 francs . .	245,126	30,676	251,035	+ 5,909	477,017	538,209	464,688	-12,329
	Percentage of total . . .	34.2	31.8	30.4	- 3.8	71.2	76.6	74.8	+ 3.6
United States †	Value in 1000 dollars . .	119,254	157,943	92,720	- 26,534	147,187	151,131	183,718	+36,531
	Percentage of total . . .	20.6	20.0	14.2	- 6.4	20.2	17.9	21.1	+ 0.9

† 1894 figures not obtainable.

‡ General imports, except in the year 1885.

Germany shows for these manufactured articles a decrease in the decade of 5,000,000 marks (£250,000) for imports for home consumption *versus* an increase of 79,000,000 (£3,950,000) for exports of domestic produce. Her percentage of manufactures imported has dropped from 28.5% of the total imports to 21%, while that for exports has risen from 62.9% to 63.4%.

In France the same movement has taken place, for there is a reduction of 62,000,000 francs (£2,480,000) in value, and a fall from 14.9% to 14.2% in percentage of manufactured articles introduced,

* "Special" trade only. The percentages are the proportions of total values, compiled from Board of Trade tables.

whilst there is a rise of 26,300,000 francs (£1,052,000) and from 52·8% to 53·9% for the relative proportion of total exports. It will be best to study the table itself for further details of this part of the subject.

We note that, for the exports of the eight countries for the decade, the largest proportional rise in increase of home manufactures to total exports is to be found in Switzerland with 3·6%, and next come Italy with 1·5%, France with 1·1%, the United States with 0·9%, and Germany with 0·5%. The decreases are 9·1% in Austria and 3·7% in Holland.

A brief investigation of the relative positions abroad of the United Kingdom and the German Empire, as regards the exportation of home productions from both, will be a fitting subject to conclude this chapter. Much has been vaguely said and written on the subject; but a tabulated statement, carefully compiled from official statistics, is the only way to enable the public to grasp the situation. Our preponderance commercially is still immense in many and indeed in most foreign lands; but that is not the cardinal point. The vital question is—are we retaining year by year our same proportion of the total imports into neutral markets abroad? Or are other nations increasing their proportions unduly and at our expense?

A very fair criterion as to whether our trade abroad is improving or not is, it seems to me, to be found in the comparison of the relative proportion that our exports of British origin to any given country bears to that country's imports for home consumption; that is to say, in the percentage of the whole imports for domestic use there that we enjoy for British produce. By comparing this percentage in different years, we ascertain how our commerce stands. The prosperity of any country may vary from time to time; and, with it, varies its consumption of foreign merchandise. What one wishes and ought to find is that the proportion of the imports of Great Britain into that given country is at any rate always the same, if not even increasing in quantity. With a rising consumption abroad, we ought to maintain our percentage of the whole, which will mean a greater value. If we find our percentage falls, we are losing more trade proportionally than other nations, though the gross value may have increased. If we find our value of imports into a country decreasing, it does not necessarily mean that our percentage of the whole purchases effected by that country from us has gone down, as the whole sum expended there on purchases may have largely diminished in amount. Our reduction in value is, of course, a positive loss, but may only represent our proportional loss, shared by other

importing States equally with us. With that country's return of increased prosperity, our proportionate value should also improve. And, if our percentage remains the same, it is clear proof that our goods are not being displaced by foreign ones, and that we are maintaining our former footing. If the contrary takes place, and our percentage falls, orders are passing from us to other countries, and should be a cause of alarm, as it would mean loss of markets.

When, for exports of home produce, this comparison of percentages abroad between two given years is combined with the absolute increase in value and the percentage of that increase, I think a very fair idea of the state of trade can be obtained. This course is, therefore, followed in comparing the commerce of the United Kingdom and that of the German Empire for the period of this chapter, 1885 to 1894.

In order to obtain a more accurate retrospect, I adopt the principle of comparing—for Germany, for instance—German statistics for imports for home consumption with English statistics for exports of British produce, and *vice versâ* for England. If one compares German figures for exports to England with British ones for imports from Germany, one finds large and even astonishing differences;* and into the latter statistics considerable sums enter, in the Custom House valuations, for insurance and freight in addition to their intrinsic value. This method followed here therefore eliminates the former two factors from the problem. Moreover, this system of taking German statistics of domestic produce sent to Great Britain is likely to be far more accurate than ours of German imports; for we, being a free-trading country, do not exact certificates of origin on goods entering (as foreign countries do), without which exact figures are impossible to obtain at the Custom House. And there is no doubt that in English statistics of German imports, large quantities of German goods that come to us *viâ* Holland and Belgium do not figure in our returns at all as goods from the German Empire, which they should do. We also, unfortunately, do not distinguish between total imports and those destined merely for home consumption. So that, in such comparisons of exports of domestic produce and imports for home consumption, it is in no case possible to compare Great Britain with other States on an exactly

* English statistics give *total* imports from Germany in 1885 and 1895 as £23,069,000 and £28,992,000; whereas German returns, for exports of domestic produce *only* to England, in those same years, show sums of £22,639,000 and £33,776,000 respectively. Probably this difference of nearly 6 millions sterling, in 1895, came *viâ* other countries, and not direct.

equal basis; though, between all countries that have "special" * statistics, such analysis is absolutely correct.

A comparison of the absolute rise and fall of the values of exports of domestic produce from England and Germany is first made.

NO. 8. COMPARISON OF EXPORTS OF DOMESTIC PRODUCE OF ALL KINDS FROM ENGLAND AND GERMANY IN £1000, 1885-94.

YEARS.	1885.	1890.	1894.	+ or - '90 v. '85.	+ or - '94 v. '85.	+ or - '94 v. '90.
	£	£	£	£	£	£
Value in (England	213,081	263,531	215,824	+ 50,449	+ 2,743	- 47,706
£1000 (Germany	143,015	166,405	148,130	+ 23,390	+ 5,115	- 18,265

Our advance in the decade has been of £2,743,000 only, *versus* one of £5,115,000 for our industrial rivals. Our decrease since 1890 is £47,706,000, as compared with £18,265,000 only for them.

Two tables for Great Britain and the German Empire are now placed together, showing the percentages of the imports (for home consumption) of European countries enjoyed by English and German imports there, consisting exclusively of these two nations' exports of domestic produce and manufactures. These tables are compiled in the following way. For the imports for home consumption, each of the listed countries' own statistics are taken. For the exports to them of British and German origin, the statistics of England and Germany are made use of. The proportion of the latter to the former is worked out in percentages with the following results; and the rise or fall in percentage of the whole, from 1885 to 1894, is indicated in the last right-hand column.

NO. 9. ENGLAND'S PERCENTAGES OF THE IMPORTS (FOR HOME CONSUMPTION) OF EUROPEAN COUNTRIES FOR HER IMPORTS THERE OF BRITISH ORIGIN, 1885-94.

COUNTRY.	1885.	1890.	1894.	+ or - % '94 v. '85.
	Per cent.	Per cent.	Per cent.	Per cent.
German Empire	11	9 $\frac{1}{4}$	8 $\frac{3}{4}$	- 2 $\frac{1}{4}$
Austria-Hungary	11 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	+ 1
Belgium	14 $\frac{1}{2}$	11 $\frac{1}{4}$	12	- 2 $\frac{1}{2}$
Denmark	15	17	15	Same
France	9 $\frac{1}{6}$	9 $\frac{1}{2}$	9	- 0 $\frac{1}{6}$
Holland	9 $\frac{1}{2}$	9 $\frac{1}{2}$	7 $\frac{1}{2}$	- 2 $\frac{1}{2}$
Italy	11 $\frac{1}{2}$	14 $\frac{1}{4}$	12 $\frac{1}{2}$	+ 1
Norway	16 $\frac{3}{4}$	17	17 $\frac{1}{2}$	+ 0 $\frac{3}{4}$
Portugal	23 $\frac{1}{2}$	21	17 $\frac{1}{2}$	- 5 $\frac{3}{4}$
Russia	9 $\frac{1}{2}$	13 $\frac{3}{4}$	12 $\frac{1}{2}$	+ 3

* "Special" statistics abroad mean exports of domestic produce and imports for home consumption.

No. 10. GERMANY'S PERCENTAGES OF THE IMPORTS (FOR HOME CONSUMPTION) OF EUROPEAN COUNTRIES FOR HER IMPORTS THERE OF GERMAN ORIGIN, 1885-94.

COUNTRY.	1885.†	1890.	1894.	+ or - % '94 v. '85.
	Per cent.	Per cent.	Per cent.	Per cent.
Great Britain (percentage of total imports)*	6 $\frac{1}{10}$	8 $\frac{1}{2}$	7 $\frac{3}{4}$	+ 1 $\frac{3}{8}$
Austria-Hungary	30 $\frac{1}{2}$	32 $\frac{1}{2}$	30 $\frac{1}{4}$	- 0 $\frac{1}{4}$
Belgium	13 $\frac{1}{2}$	11 $\frac{1}{2}$	12	- 1 $\frac{1}{4}$
Denmark	20 $\frac{1}{2}$	25	23	+ 2 $\frac{3}{4}$
France	7 $\frac{1}{2}$	6 $\frac{1}{4}$	6	- 1 $\frac{1}{4}$
Holland	12 $\frac{1}{2}$	12	10	- 2 $\frac{1}{2}$
Italy	7 $\frac{1}{2}$	8 $\frac{1}{2}$	9	+ 1 $\frac{1}{2}$
Norway	7	17	18	+ 11
Portugal	3 $\frac{1}{2}$	10 $\frac{1}{2}$	6 $\frac{1}{2}$	+ 3
Russia	16	22	15 $\frac{1}{2}$	- 0 $\frac{1}{2}$

* As we have no separate statistics for home consumption, total imports are given for England.

† In 1889 the Hanse towns were first included in the "Zollverein."

Our largest rise from 1885 to 1894 in the percentage of any foreign country's imports is in Russia, with 3%; other increases are 1% each in Austria, Hungary, and Italy, and $\frac{2}{3}$ % in Norway. Our decreases are 5 $\frac{3}{4}$ % in Portugal, 2 $\frac{3}{8}$ % in Holland, 2 $\frac{1}{2}$ % in Belgium, and $\frac{1}{6}$ % in France. In Denmark our standing was the same in 1894 as ten years ago.

Germany shows rather different results. Her largest rise is 11% in Norway, 3% in Portugal, 2 $\frac{3}{4}$ % in Denmark, and 1 $\frac{3}{8}$ % in Italy. Decreases are found in the other five—namely, 2 $\frac{1}{2}$ % in Holland, 1 $\frac{2}{3}$ % in France, 1 $\frac{1}{4}$ % in Belgium, $\frac{1}{3}$ % in Russia, and $\frac{1}{4}$ % in Austria-Hungary.

In Italy and Norway the Germans and ourselves have both won larger proportions of trade; but Germany, in Norway especially, has done far better than we have. In Portugal we have lost largely, and they have gained a great deal. In Russia we have had a large advantage. In Belgium and Holland our reductions are larger than theirs.

We, in 1894, enjoyed a smaller proportion of the total German imports for home consumption than in 1885, the percentages being 11% and 8 $\frac{3}{4}$ %, or a loss of 2 $\frac{1}{4}$ % on the whole imports. On the other hand, the exports of domestic produce to us from the German Empire rose, in proportion to our total imports, from 6 $\frac{1}{10}$ % to 7 $\frac{3}{4}$ %, or a gain of 1 $\frac{3}{8}$ %; but, of course, this result might be different if it were possible to compare them exactly with that portion only of our imports destined for consumption in Great Britain.

I now compare, in one table, these percentages for England and Germany with the absolute increase of value for the exports of domestic produce from each, and the percentage of increase of that value, from 1885 to 1894.

No. 11. ENGLAND AND GERMANY COMPARED, 1885-94
(IN EUROPEAN COUNTRIES).

COUNTRIES.	ENGLAND.			GERMANY.		
	I. + or - '94 v. '85 of percentage of home produce imported in—	II. + or - '94 v. '85 value in £1000 of home produce exported to—	III. + or - '94 v. '85 in percentage of value of II. exported to—	I. + or - '94 v. '85 of percentage of home produce imported in—	II. + or - '94 v. '85 value in £1000 of home produce exported to—	III. + or - '94 v. '85 in percentage of value of II. exported to—
	Per cent.	£	Per cent.	Per cent.	£	Per cent.
Austria-Hungary	+ 1	+ 639	+ 81	- 0½	+ 3,422	+ 24
Belgium . . .	- 2½	- 175	- 2¼	- 1½	+ 120	+ 1½
Denmark (and Iceland) . . .	Same	+ 689	+ 36	+ 2½	+ 1,375	+ 52
France	- 1½	- 1,453	- 9½	- 1½	- 3,042	- 24
Holland	- 2½	- 91	- 1	- 2½	+ 937	+ 8½
Italy	+ 1	- 1,072	- 16	+ 1½	- 217	- 5
Norway	+ ¾	+ 585	+ 44	+ 11	+ 1,456	+ 264
Portugal	- 5½	- 303	- 17¼	+ 3	+ 282	+ 146
Russia	+ 3	+ 2,693	+ 64½	- 0½	+ 1,325	+ 18
Great Britain * .	—	—	—	+ 1½*	+ 8,951	+ 39½
German Empire .	- 2½	+ 1,381	+ 8½	—	—	—

* This percentage results from a comparison of exports of German origin with English *total* imports (as statistics for home consumption from each country do not exist). All the other percentages are comparisons of each nation's imports for home consumption with Germany's exports of domestic produce.

With Column I. we have dealt above. In Column II., showing the absolute increase in value in the decade, we notice that Germany has 7 plus signs, whereas we have only 4, and that—with the one exception of Russia—her increases in value far exceed ours. Moreover, in percentages of improved value (Column III.) those of the German Empire are considerably larger than ours; except to Austria-Hungary and Russia, where we have the advantage over her. In value, her increases in every case (except Russia) are larger than ours; and her decreases are only two—namely, £217,000 to Italy, and one of £3,042,000 to France (which, however, is twice as large as ours to that country). In the percentages of increase or decrease, she has mostly large advantages. Therefore it may, in all fairness, be said that Germany's trade as a whole with the nine listed European nations is certainly more flourishing than ours.

Now, comparing the figures for Great Britain and the German

Empire, we see (as already noted above) that our proportion of German imports for home consumption was less in 1894 than in 1885 by $2\frac{1}{4}\%$ of the whole; that the actual increased value of our exports of British origin there was £1,381,000, or $8\frac{1}{3}\%$. But, meanwhile, Germany had increased her proportion of our imports by $1\frac{3}{8}\%$ of the whole, and the improved value of her exports of domestic produce to us was £8,951,000, or $39\frac{1}{2}\%$. What a difference in total results! Can we help being startled at such figures?

In view of this unsatisfactory result, it will be additionally interesting to analyse, in the same way, German trade and ours in some non-European countries. Two tables of percentages, similar to the above two for European States, will be found in the appendix, Annex No. 3 (p. 158). Their summary, with the additions of absolute increased values, and their percentages are now tabulated.

No. 12. ENGLAND AND GERMANY COMPARED, 1885-94
(IN NON-EUROPEAN COUNTRIES).

COUNTRIES.	ENGLAND.			GERMANY.		
	I. + or - '94 v. '85 of percentage of home produce imported in—	II. + or - '94 v. '85 value in £1000 of home produce exported to—	III. + or - '94 v. '85 in percentage of value of II. exported to—	I. + or - '94 v. '85 of percentage of home produce imported in—	II. + or - '94 v. '85 value in £1000 of home produce exported to—	III. + or - '95 v. '85 in percentage of value of II. exported to—
	Per cent.	£	Per cent.	Per cent.	£	Per cent.
Chile	- $1\frac{1}{2}$	+ 803	+ 57	+ 6	+ 961	+ 580
Egypt	+ $4\frac{1}{2}$	+ 509	+ $14\frac{1}{2}$	+ $2\frac{1}{2}$	+ 244	+ 237
Japan	- $15\frac{3}{4}$	+ 1,642	+ 79	+ $2\frac{1}{2}$	+ 624	+ 372
United States .	- $4\frac{1}{2}$	- 3,194	- $14\frac{1}{2}$	+ $3\frac{3}{4}$	+ 5,798	+ $74\frac{3}{4}$

The Argentine Republic, Uruguay, and Venezuela have to be left out, as German statistics for 1885 do not give separate figures for these three countries.

The result of the table for us, therefore, as regards non-European nations, is far worse than for European ones, with the one exception of Egypt. In the United States we have lost largely under all three heads (*i.e.* in all three columns), while Germans have obtained a great advance. We exported £3,194,000 less in the decade; they sent £5,798,000 more. In Japan, though the improved value of our imports was £1,642,000 *versus* their £624,000, their percentage of increase in value was 372% , as compared with our 79% . Moreover, our share

of the United States imports for home consumption was $4\frac{1}{2}\%$ less of the whole, while theirs was $3\frac{3}{4}\%$ more. Chile also shows results equally disadvantageous to us.

The various combinations of these three criterions of trade in different places show, indubitably, that, comparatively speaking, German commerce as a whole (from 1885 to 1894) has been more prosperous than ours. And still more remarkable has been its prosperity from 1890 to 1895, when compared with ours. This latter period of comparison, be it remembered, is subsequent to any Hanse towns complications, and cannot be challenged, therefore, in any respect. This period of comparison is fully analysed at the end of chapter viii., on the "Industrial Progress of the German Empire," where it is shown that, on comparing the values of the domestic produce from England and Germany from 1890 to 1895 to 14 European nations, the results are incomparably in Germany's favour, as briefly shown below.

No. 13. EXPORTS OF DOMESTIC PRODUCE TO 14 EUROPEAN COUNTRIES;
ENGLAND AND GERMANY COMPARED, 1890 TO 1895.

TO FOURTEEN COUNTRIES.	FOR ENGLAND IN £1000.	FOR GERMANY IN £1000.
	£	£
Sum of increases	+ 1,845	+ 4,918
Sum of decreases	- 10,819	- 5,573
Nett result	- 8,974	- 655

And for 15 non-European countries the results are still more unfavourable to us, as summarised below.

No. 14. EXPORTS OF DOMESTIC PRODUCE TO 15 NON-EUROPEAN COUNTRIES; ENGLAND AND GERMANY COMPARED, 1890 TO 1895.

TO FIFTEEN COUNTRIES.	FOR ENGLAND IN £1000.	FOR GERMANY IN £1000.
	£	£
Sum of increases	+ 838	+ 3,901
Sum of decreases	- 10,881	- 2,676
Nett result	- 10,043	+ 1,225

The nett results for the 14 European nations are a diminution of £8,974,000 for us *versus* one of only £655,000 for them, making

a balance of £8,319,000 in favour of Germany. Further, the nett results for the 15 non-European countries are a decrease of £10,043,000 for us *versus* an increase of £1,225,000 for them, making a balance of £11,268,000 again in favour of the German Empire. Summing up these figures, we arrived at a total final balance of £19,587,000 more loss for us with 29 countries than for the Germans in the five-year period, 1890 to 1895. Annexes 5 and 6 in the appendix should be consulted for some foreign countries and British colonies, in order to see the growth of German trade with them. Those tables were collected on a uniform plan by me with that object. The results of German progress are worthy of close attention.

For the purposes of this chapter, I add here two small tables, comparing and analysing, in the years 1885, 1890, and 1895, our trade and that of Germany with each other, and with the three principal outside industrial states—Belgium, France, and the United States.

No. 15. EXPORTS OF BRITISH PRODUCE AND MANUFACTURES
IN £1000 TO—

COUNTRY.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
	£	£	£	£	£	£
Germany	16,415	19,293	20,580	+ 2,878	+ 4,165	+ 1,287
Belgium	7,806	7,638	7,324	- 168	- 482	- 314
France	14,978	16,567	13,869	+ 1,589	- 1,109	- 2,698
United States . . .	21,993	32,068	27,948	+ 10,075	+ 5,955	- 4,120

No. 16. EXPORTS OF GERMAN PRODUCE AND MANUFACTURES
IN £1000 TO—

COUNTRY.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
	£	£	£	£	£	£
United Kingdom . .	23,639	34,476	33,776	+ 11,837	+ 11,137	- 700
Belgium	7,371	7,532	7,957	+ 161	+ 586	+ 425
France	12,424	11,529	10,114	- 895	- 2,310	- 1,415
United States . . .	7,756	20,834	18,421	+ 13,078	+ 10,665	- 2,413

From 1885 to 1895, our exports of domestic produce increased to Germany by £4,165,000; but her improvement was £11,137,000.* In 1895, however, we exported £1,287,000 more to her than in 1890,

* All these figures excluded any German imports *via* Holland and Belgium.

whereas she sent us £700,000 less. In the course of the eleven years our standing changed as follows: to Belgium — £482,000, to France — £1,109,000, and to the United States + £5,955,000. In the same interval she gained £586,000 with Belgium, and £10,665,000 with the United States, but lost £2,310,000 to France.

Comparing 1890 and 1895, our exports to Belgium decreased by £314,000, while hers rose by £425,000. To France we both lost trade—£2,698,000 being our diminished share, and £1,415,000 hers. The same movement took place with the United States, with the difference that our decrease was £4,120,000, while hers stood at £2,413,000 only.

A detailed statement of our trade with all foreign countries will be found in chapter iv., and with our colonies in chapter v.

A study of the exports of domestic produce from the United Kingdom and the German Empire, from year to year, during the period 1885 to 1895 completes this subject. In the two following tables, of the total exports of that category from each of those countries and then of the special portions of it with each other, a divisional line is inserted between the years 1888 and 1889 to indicate the break in continuity, owing to the inclusion of the Hanse towns in German statistics after the former year. The usual analysis is affixed.

No. 17. ENGLAND AND GERMANY. EXPORTS OF DOMESTIC PRODUCE FROM EACH COMPARED, 1885 TO 1895.

YEAR.	ENGLAND.			GERMANY.		
	Value of totals in £1000.	+ or - value on previous year.	+ or - % on previous year.	Value of totals in £1000.	+ or - value on previous year.	+ or - % on previous year.
	£	£	Per cent.	£	£	Per cent.
*1885	213,081	—	—	143,015	—	—
*1886	212,725	— 356	— 0½	149,280	+ 6,265	+ 4½
*1887	221,913	+ 9,188	+ 4½	156,765	+ 7,485	+ 5
*1888	234,534	+ 12,621	+ 5¾	160,295	+ 3,530	+ 2¼
<hr/>						
1889	248,935	+ 14,401	+ 6	158,335	— 1,960	— 1½
1890	263,531	+ 14,596	+ 5½	166,405	+ 8,070	+ 5
1891	247,235	— 16,296	— 6½	158,805	— 7,600	— 4½
1892	227,077	— 20,158	— 8½	147,745	— 11,060	— 7
1893	218,094	— 8,983	— 4	154,650	+ 6,905	+ 4½
1894	215,824	— 2,270	— 1	148,130	— 6,520	— 4½
1895	225,890	+ 10,066	+ 4¾	165,950	+ 17,820	+ 12
<hr/>						
'95 v. '89 in value	— 23,045	—	—	+ 7,615	—	—
" " in % . . .	— 9½	—	—	+ 10½	—	—
'95 v. '90 in value	— 37,640	—	—	— 455	—	—
" " in % . . .	— 14¾	—	—	— 0¼	—	—

* Hanse towns not included in these years.

Carrying the absolutely correct comparison, therefore, back to the furthest point, 1889, the following are the results on comparing that year with 1895: for England a diminution of £23,045,000 or of 9½%, *versus* an improvement of £7,615,000, or of 10½% for Germany. But, taking our years 1890 to 1895, we have a reduction of £37,640,000, or of 14½%, contrasted with one of £455,000, or of ½%, only for the latter nation. So that, even on a comparison strictly subsequent to the Hanse towns complications, our progress in national production exported has been far behind hers. Moreover, the reviving commerce of 1895 shows an increase over 1894 of not less than £17,820,000, or 12%, for her exports of this class, while ours is merely one of £10,066,000, or 4½%. I do not enter further into the facts brought to light in this table, which gives each year's statistics and their analysis.

NO. 18. ENGLAND AND GERMANY—THEIR EXPORTS OF DOMESTIC PRODUCE TO EACH OTHER COMPARED, 1885 TO 1895.

YEAR.	ENGLAND.			GERMANY.		
	Value of totals in £1000.	+ or - value on previous year.	+ or - % on previous year.	Value of totals in £1000.	+ or - value on previous year.	+ or - % on previous year.
	£	£	Per cent.	£	£	Per cent.
*1885	16,415	—	—	22,639	—	—
*1886	15,744	- 671	- 4½	22,137	- 505	- 2½
*1887	15,748	+ 4	+ 0½	24,538	+ 2,401	+ 11
*1888	15,845	+ 97	+ 0½	23,993	- 545	- 2½
1889	18,478	+ 2,633	+ 16½	32,336	+ 8,343	+ 35
1890	19,293	+ 815	+ 4½	34,476	+ 2,140	+ 6½
1891	18,804	- 489	- 2½	33,965	- 511	- 1½
1892	17,583	- 1,221	- 6½	31,449	- 2,516	- 7½
1893	17,698	+ 115	+ 0½	33,498	+ 2,049	+ 6½
1894	17,796	+ 98	+ 0½	31,590	- 1,908	- 5½
1895	20,580	+ 2,784	+ 15½	33,776	+ 2,186	+ 7
'95 v. '89 in value	+ 2,102	—	—	+ 1,440	—	—
" " in % . . .	+ 11½	—	—	+ 4½	—	—
'95 v. '90 in value	+ 1,287	—	—	- 700	—	—
" " in % . . .	+ 6½	—	—	- 2½	—	—

* Hanse towns not included in these years.

The international trade in exports of home products is here compared year by year for the two countries with each other only. For the 1889 to 1895 interval, the exports of British produce and manufactures to Germany rose by £2,102,000, or 11½%; and for the 1890 to 1895 period by £1,287,000, or 6½%. For our Teutonic rivals the increase in

exportation to us for the first interval was £1,440,000, or $4\frac{1}{3}\%$; and, for the second period, there was a loss consisting of £700,000, or $2\frac{1}{3}\%$.

These results show that, from 1889 to 1895, we had improved our exportation of domestic products to them more than they had developed theirs to us; and that, from 1890 to 1895, we had also considerably improved them, whereas her exports to us had actually fallen off in value (though £2,186,000 larger than in 1894). It is, therefore, to be inferred from these two tables that, since 1889, German commerce in national products has improved much more than ours; but that this improvement has been rather to foreign nations other than Great Britain. And whereas we find that our exports of British origin have, since 1889, diminished by £23,045,000, while those of the German Empire have risen by £7,615,000, we may reasonably conclude that Germany has to some extent "ousted" certain commodities of ours in neutral markets.

I cannot, therefore, agree with many eminent men who maintain that we have no cause to fear any reduction in our commercial supremacy, now or in the near future. Nor can I admit that there is no reason to dread foreign competition. Such views are much more optimistic than the facts seem to warrant; though, as I have said before, there is no need whatever to run to the other extreme and join the small minority of pessimists on this great question. It is true that our commerce preponderates immensely in many parts of the world, but I think that the following chapters will prove that we are experiencing undue and unnecessary encroachments on our trade in some directions.

Mr. Balfour, in his speech at the Cutlers' Feast, in Sheffield, on November 19, 1896, said—in speaking of German competition and methods of promoting trade,—“I believe we have a good deal to learn, and I think it behoves us to learn it.” He also pointed out what large sums were spent by Germany, “imperial, municipally, and privately upon those branches of scientific research which have a direct bearing upon manufactures, to an extent and degree absolutely unknown in this country, which surely ought to take the lead in all commercial matters.” He mentioned the fact that at least six of the great technical institutions in the German Empire for the study of electrical matters alone were superior to any in Great Britain. He also pointed out that, “while the Government and municipalities spent these vast sums in producing a great body of trained experts, the great manufacturers

in Germany, to an extent altogether unknown in this country, employ a large body of investigators on their own account and on their own premises, taking advantage of every discovery that can be made, and, in so far as may be, making discoveries for themselves."

If British manufacturers and merchants will now learn "what it behoves them to learn," and apply science and its most modern teachings to their processes of production more than they have hitherto done, two great steps will have been made in improving the condition of our commerce. Far more can be accomplished by them in effective improvement than by our Government. All that the latter can properly do is to collect certain information for the public, as it has always done. It lies with the powerful commercial community of the United Kingdom to make good use of it. It is right that a Government should supply the people with the necessary information to direct their action; but the action itself must come from them.

What the status of our trade in the world will be in the future, depends largely on our present power of learning and rapidly assimilating up-to-date knowledge of every kind, as also on our capability of adapting ourselves practically, technically, and scientifically to the changing conditions of modern commerce.

CHAPTER III.

FOREIGN COMPETITION.

FOREIGN competition and its somewhat disastrous effects on our commerce is one of the most disturbing topics of the day. It is certainly one which will materially influence our prosperity in the future, even more than it has done in the past. There is a natural tendency in every nation to develop local industries, even at the cost of some sacrifice to its home consumers; and such a course is rendered easy in all non-free-trading countries by the imposition of high duties on similar imported articles. New industries can be readily founded and fostered under the shelter of protective tariffs; and this, in recent years, has been still further facilitated in many places by the development of local coal resources formerly unworked. In international competition, Great Britain, with her free-trading principles, stands practically single-handed against the world. It is wonderful to contemplate what she has achieved in the face of this often disadvantageous position. So many new factors have arisen in this question in recent years with the rise of other industrial nations, that it seems to be uncertain what our status, as regards foreign trade, *vis-à-vis* with that of other countries, may be in the future. Here is ample opportunity for the investigations of the economist.

With the increased universal commerce and intercourse of the latter half of this century there has been a more general diffusion of knowledge, especially in trade matters, which has tended to equalise the superior acquirements and technical advantages formerly exclusively enjoyed by some countries, with the inferiority of others. This is particularly the case between Eastern and Western States, as in the case of the Japan of to-day, which, with her sudden revolution from primitive Oriental practices to European civilisation and methods, threatens to become a most serious competitor with us in the markets

of the East for various kinds of similar manufactures. But it is not only in industries, but also in the carrying trade of the Pacific, that she may become a rival to England; for the Japanese are doing their utmost to establish a large mercantile marine in addition to the excellent navy that they already possess. They are about to start lines of steamers to the United States, Mexico, and Australia. The rise of Japan and our trade in the East form the subject of chapter ix. Seeing the cheapness of their labour, their wonderful imitative power, their perseverance, and the strenuous efforts they are making in order to become an important industrial and commercial nation, one cannot over estimate the possibilities of their future progress, which may so detrimentally affect our trade in the East. As an illustration of the importance of Japanese competition, I may mention that the British Columbian Board of Trade recently decided that it was inadvisable for Canada to participate in the British Treaty with Japan, on the ground that she would fatally compete with the Dominion's manufactures. For, owing to exceedingly low wages, and the most modern labour-saving machinery, she can produce cottons and other textiles, shoes and boots, etc., from thirty to forty per cent. cheaper than Canadian manufacturers. In recent years, European and Eastern nations have learned many industries from us, and have adopted all our methods, and perhaps improved upon them. What was practically only known in England many years ago in the production of textiles, for instance, is now the common property of all countries.

In former times, foreigners had to come to England for certain commodities; there was nowhere else to go; and they had, consequently, often to take British goods, though expensive and not exactly what they wanted. When, however, other industrial States sprang up and offered to attend more minutely than we often did to all their little suggestions, and to make every small alteration asked for, they began to think it might be better to buy elsewhere than in England. Besides, they were cheaper and, perhaps, more attractive, though often really of inferior quality. It is, however, well known that many classes of goods can now be equally well manufactured on the Continent as regards quality, for a price not higher than the English one. Moreover, foreign manufacturers appear to take such infinite trouble to ascertain the conditions and requirements of their trade abroad in the districts they supply. Englishmen, it is said, have not been quite so energetic in this respect; they are not so fond of taking

the initiative themselves, and lose opportunities by, perhaps, waiting for official and, therefore, possibly late information as to the state of foreign markets. It is here that our rivals have such advantages in the numerous army of their commercial travellers who send by letter to their employers from all over the world prompt intimation of the exact state and requirements of every country, thereby often enabling them to put before the buyer such up-to-date commodities earlier and more advantageously than we can. This, of course, only applies to the many places where English exporters have no agents of their own to keep them informed of the state of the market. In modern competition early information is of the utmost importance. Moreover, personal solicitation and conversation are better than any number of letters or circulars; and this is, undoubtedly, the best and most profitable way of pushing trade.

British manufacturers would do well to remember that in times of general depression of trade, such as we have experienced in late years in so many countries, there is a much greater demand abroad for cheap things than there would otherwise be. Perhaps this accounts partly for the greater encroachment of German and other foreign manufactures on ours in the last few years, when purchasers have had less funds for buying. If so, the reduced commerce of the nineties has harmed us doubly, firstly by diminishing the bulk of our foreign trade, and secondly by the unfortunate circumstance of foreign buyers transferring their custom from British productions to those of Germany and other nations, because of their greater cheapness and suitability to the foreign consumer's reduced pocket. With regard to cheap goods, it is often urged that if English articles were not always of the very best make, our reputation abroad would be to a certain extent lost. There is some truth in this argument; but if certain customers will not or cannot buy our first-rate but expensive commodities, is it not worth considering if two qualities might not be made (a superior and inferior), so that the desirable object, of selling equally well to both classes of customers, might be accomplished by our manufacturers?

Broadly speaking, and judging from reports from all over the world, it seems that we still keep our hold on foreign markets for all manufactures of the heavier and rougher kind, on which little labour has been employed in the elaboration of outside appearances. But for articles which have much work and care expended on their exterior surface as to finish, design, and general smart appearance, we are losing large

portions of foreign outlets through the superior attention paid abroad to these points. This is a most important indictment against English goods, and, as there is little doubt of its truth, with regard to a good many commodities, it should be thoroughly investigated in the interests of the British public. Any defects in our system that can be discovered as compared with that of foreigners, should at once be remedied to prevent further deviation of trade to foreign countries. The point to notice is that, with the better finish, etc., foreign goods similar to ours are, nevertheless, often less expensive, and therefore naturally appeal to foreign purchasers. Why production at a lesser cost abroad is possible, is a difficult question which I do not at present propose to examine. There seems, however, to be little doubt that such cheapness, as regards European nations, is not so much due to general lower wages as to a better practical education, superiority in skill, and technical training in particular trades, longer working hours, cheaper skilled labour, improved processes of manufacture, and the want abroad of the same extended organisation and combination of the working-classes by labour associations and trade unions. Cheaper continental freights by sea and land and lower dock dues also enter largely into this question when goods are for export. The paralyzing influence of strikes on the large scale that occurs with us is rarely found elsewhere, with the one exception of the United States; and, in late years, in Belgium. In the East, as in Japan, it may with much greater truth be said that the cause of cheaper production is lower wages. The fact that its cost is less on the Continent is also attributable to another set of causes, comprising the many-varying forms of subsidies granted by foreign Governments to the manufacturer and to transport of national industrial products. Whatever the causes may be that favour foreign competition, such a state of things is alarming to the last degree, resulting, as it does, in serious injuries to our trade. Whether it is that raw materials can be worked up abroad into manufactured articles, with a higher standard of finish, more cheaply than we can; or whether it is the indefatigable efforts of other industrial nations to more exactly suit the customer's *pocket, taste, and convenience*, when selling these products, that principally brings about such results; or whether, again, both these operations are not, to a great extent, rendered more feasible in other countries than with us by a distinct superiority in technical and practical commercial education from start to finish,—all these three are vital points fundamentally affecting our immense mercantile interests which require immediate and

searching investigation by competent experts in every branch of commerce.

As regards technical education,* it has been estimated that at most some £5,000 a year is expended in England on chemical research in connection with metals; whereas, in Germany, there are firms, in the coal-tar industry for instance, that have very large numbers of chemists in their private employment experimenting and improving methods. One of these firms is said to expend £50,000 a year merely in its research department. There seems, fortunately, to be now a consensus of opinion in this country as to the deficiencies of our system of technical education and of the necessity for many improvements.

The adoption of the system of metric weights and measures is, undoubtedly, one that would facilitate our trade abroad. Many foreign Government contracts and other private orders have been lost to us from the inability of the would-be vendors to state all particulars of their offers in the terms of foreign weights, measures, and currencies, or from their long delay in converting their specifications to the requisites of foreign Government standards. A new "Bill to legalise the use of the Weights and Measures of the Metric System" is to come before Parliament in its next Session. Such legalisation will, if promptly made use of, for the purposes of our commerce, be of inestimable value.

With reference to the effect of the working of the Merchandise Marks Act (1887) and of its probable result in having diverted portions of trade from us to Germany, there seems to be great unanimity in thinking that such has indeed been its effect, and that, therefore, some change in its provision is absolutely needed. The Germans themselves attribute part of their success to the working of Section 2 of that Act, which provided that every article manufactured abroad, bearing upon it the name or trade-mark purporting to be that of an English trader, must not be imported into Great Britain unless accompanied by a definite indication of the country of origin.

There is another point to notice, and that is the very serious harm done to British commerce by the manufacture abroad of inferior goods similar in appearance to ours, and often with a counterfeit mark placed upon them in order to deceive the customer and to induce him to believe that the commodities in question are of English make and

* The sum spent on technical education in England by local authorities is put at about £740,000 in 1894-95, and at £795,000 for 1895-96.

origin. In neutral markets such devices have done us much injury ; and it is most difficult to find any effectual remedy.

Before proceeding to a short account of the wonderful extent to which Germans carry commercial enterprise, I give here a summary of some of the probable reasons of part of the successful competition of our rivals in international trade as regards the, to them, most important point of underselling our products when disposing of their manufactures abroad. This summary is entirely based upon several hundred diplomatic and consular reports which have appeared in late years from all countries in the world, and there is, moreover, from Her Majesty's representatives in all quarters of the globe, such a remarkable unanimity and consensus of opinion on the following points that they cannot be too often brought to the notice of the manufacturer and exporter, and could not, in fairness to the British public, be omitted in my book. Some of these reports, bearing on particular points, are quoted in the body of this work. I have also taken particular trouble in the last half-year to obtain from many countries in the world other uniform information on the special points of,—1st, damage to our trade by foreign competition in the last twenty years (with statistics);* 2nd, probability of further damage in the future; 3rd, in what particular branches British manufactures are being replaced by those of other nations; 4th, why they are driven out; 5th, if easier terms of payment are granted by foreign countries; and 6th, as to the extent to which local manufacture of articles similar to ours is increasing. This information confirms that already officially published in reports, not only by diplomatists and consuls, but also by others who have been charged to investigate this subject for the benefit of England's commerce (see, for instance, Mr. Bruford's report, p. 81), for our colony of Victoria, drawn up for the Secretary of State for the Colonies. The following few pages are, therefore, the result of a study of foreign competition in all parts of the world. They contain nothing new,—every point has already been forcibly put before the public in different Foreign Office and Colonial reports. But when all the points are put together in a small compass one realises still more forcibly the importance of this subject.

Of course, in such a summary, every point mentioned does not apply to every single country : and the following remarks, in the same way, naturally do not apply to every British firm. I hope they apply to

* See appendix, p. 164, Annex G.

very few. Indications merely are given of the trading methods employed by our commercial rivals, with notes of those points in which it is asserted with insistence abroad that some British manufacturers and exporters fail to comply with the requirements of modern trade. Such indications, if taken in the right spirit, as suggestions to those who do not follow them, cannot fail to be of interest, and, perhaps, even of material use to the immense mercantile community of Great Britain, in whose interests, and for whose information, this book has been compiled. The substance of this summary recently appeared in a Foreign Office report.* I should be only too glad to learn that our trading methods universally are quite equal to, and, better still, that they are superior to foreign ones; but one cannot ignore such weight of testimony to the contrary which report after report, whether diplomatic or consular, furnishes to the Foreign Office anew, week by week and month by month. On the other hand, the reader will remember that all the clever devices of the foreigner to sell his goods, cited below, are most fortunately not yet made use of by all foreign firms, not by any manner of means. If they were, our position would be still more unsatisfactory than it is at the present time. As has so often been pointed out before in diplomatic and consular reports, British manufacturers and merchants have yet something to learn in order to more successfully compete with foreign countries, especially Germany, which have patiently and pertinaciously "ousted" a considerable portion of British trade abroad. To prevent any further introduction and substitution of the foreign article, strenuous efforts should be made in some directions by home manufacturers and exporting firms to follow closely in the path of the successful foreign trader abroad. There is no doubt whatever of his success; and the secret of it, when it clashes with ours, must be thoroughly investigated and copied, if it cannot be improved upon by careful study. Far too much apathy has been shown in this respect. It is only just now that people are beginning to realise the immense and, to a great extent, irretrievable damage inflicted on us by clever and pushing foreign competition. What, it appears, can now be done is to stop further filching of our trade by adopting energetic measures to improve our methods of trading. Practical means of learning what useful direction these measures should take suggest, on the part of manufacturers, the sending of experts to Germany, for instance, to study the improved processes, scientific and practical, there in use; and, on the

* No. 1828, Annual Series, 1896.

part of exporting firms, the placing of their young men in foreign firms abroad to learn more thoroughly foreign languages and the methods of dealing with customers abroad. In the past, other nations have learned from us in the above fashion. In those points in which they may have improved on our methods, let us, in our turn, now learn from them, if we do not wish to lose a portion of our supremacy. Great Britain is now, and in the past always has been, full of young foreigners in every branch of trade, commerce and manufacture, diligently learning our language and methods. Abroad how few young Englishmen there are gaining experience in the commerce, language, or industries of any foreign nation !

No doubt, at some near date, a Government inquiry into the causes of this successful foreign competition will be held ; but, meanwhile, much may be done by the individual action of manufacturers and merchants in attending to the following suggestions.

One of the causes of success in foreign competition may be said to be the greater attention paid abroad to the art of *exactly suiting the foreign customer's pocket, taste, and convenience*, an art in which foreign nations pre-eminently excel. The vital importance of pleasing the customer in these essential points has been often too much ignored and neglected at home ; and our neglect has been profitably turned to account by others to our present detriment. Two other causes have, no doubt, also contributed largely to the remarkable advance of foreign trade. The first is the superior technical education often to be found abroad ; and the second is the superior commercial acquirements, especially in command of languages, enjoyed by the foreigner. There are many other minor causes, but the foregoing three are the chief ones in the opinion of competent persons, and what the Englishman must see to is, that he is not behind his Continental competitor in these essential points.

The next thing to consider is how the foreigner carries out his fundamental maxim of exactly suiting his customer's pocket, taste, and convenience ; for that he is most successful in doing so is an absolute certainty. Quite apart from all considerations of the many forms of State-aid given in Germany and other countries, which result in cheapening production, the facilities accorded by foreigners to trade are many, and, as a rule, more advantageous than ours. It may be taken as an axiom of modern trade that *the goods must seek the customer* ; for the customer will no longer seek the goods, as in bygone days. In former times, England was practically the only export market for

many articles of manufacture (staple industries such as iron, steel, cotton, and woollen goods, etc.), and often had a monopoly of the foreign market; but now that the industrial products of Germany (especially), the United States, France, and Belgium have so rapidly developed, there are several export markets of similar articles.

In former days foreign customers, naturally, turned to England for certain commodities; now they can buy equally well in other countries, and often *do* because of the peculiar and greater suitability of the article they require, or because of the better facilities offered them there. Moreover, the goods of those countries seek the foreign purchaser pertinaciously by every conceivable device; British goods apparently do not do so to an equal extent.

The customer, instead of having to seek British firms to give his orders, now has the goods of some of these other countries brought daily and cleverly to his immediate notice by adroit commercial travellers (speaking his own language fluently), by personal solicitation of foreign firms or their agents, or by the extensive catalogues (in the language he understands) which give him every particular of the article he wants *in the weights, measures, and currency of his own country*. What English firms carry commercial enterprise to this extent? Some, doubtless, do; but others do not. But these things must be now done and many others, unless we are willing to give up without a struggle a part of our well-earned commercial and industrial supremacy. Such surrender must not and cannot be, and British merchants and manufacturers who do not employ such methods, will surely realise the changes that have to be made by them when dealing with foreign trade and foreign competition.

Now as regards suiting the customer's "pocket," no doubt British manufactured goods are often the best in the world and worth their price; but often it is not the best that the foreigner wants, but merely a similar article that will answer the purpose for which it is required at a cheaper price. He cannot afford *the best*, but wants an inferior quality which will look as well and do as well, and for which *he can pay*. He would, in many cases, rather pay less and purchase more often, than expend a larger sum on the best article which would last him twice as long. The ready money or payment at short credit for the best may not be forthcoming, whereas sufficient for the cheaper article is. Great Britain sells the former; other nations the latter. Naturally the latter is often chosen; and, probably, the many sales of a cheaper article

yield a far better profit than the fewer sales of an expensive one. Though dearer to the buyer in the long run, it suits his immediate convenience far better. Then again, foreign firms appear to grant easier and longer credits. "Terms cash" are often not possible and are never palatable to foreign purchasers, especially among those of small standing and capital. Some middlemen are in the position of having to re-sell the article bought from the manufacturer before they are able to pay its value to the latter.

"Suiting the customer's taste" is a most essential requisite of successful trade. The great and minute attention paid abroad to the particular form, design, quality, "showiness," colour, look, or peculiarity of the article exported, in order to *exactly* suit the customer's perhaps fastidious taste, is deserving of closer attention on the part of the English manufacturer and exporter. That taste may be barbarous, inexplicable, and unreasonable, but the mere fact of satisfying it (in whatever trivial form it may be) supplies a want and pleases the buyer; and those who are practicable and sharp enough to adapt their goods exactly to the customer's fantastic wishes are, naturally, those who get many orders. I imagine that this is one of the prime causes of the transfer of part of what was once British trade to other foreign countries. Competition is now so keen in the industrial race that our manufacturers and exporters cannot afford to neglect the smallest detail which may facilitate foreign orders. Our once absolute industrial supremacy is fast losing ground, and will go faster still if English trade continues to despise the many small devices and expedients resorted to by the foreigner in order to undersell us by more exactly suiting foreign taste and its many requirements. The foreigner *always* tries to do his best to supply just what his customer wants; if he has not the exact thing he will make it. The Englishman does not always do his best to suit the buyer in his peculiarities, but is inclined to say, "This is the best article of its kind; take it or leave it, but it is the cheapest in the long run,"—so runs the text throughout consular reports. He does not exert himself half enough to insinuate his goods with his customer, or to entice orders out of him as the foreigner does. If he cannot supply the exact thing wanted, he will, perhaps, not make it.

The third point, that of "suiting the customer's convenience," is one that cannot be too much urged as a means of promoting foreign trade. Some of the excellent practical ways of doing so in vogue among other nations will be here mentioned. The foreigner does everything in his

power to save his customer trouble. He quotes him a fixed price for goods delivered duty free practically at his own door (at the quay of a port, or in any particular town abroad), which includes freight, shipping charges, packing, etc., up to that point. He states that price (or the catalogues do) in the language of the country where the sale is effected, and in the currency of that country, instead of in that of the export market—an inestimable advantage. A purchaser abroad is thereby enabled to see at a glance what the article ordered and delivered at his own door will cost him, and can exactly calculate if he can buy cheaper elsewhere, and what profit he could make if for re-sale.

A usual practice with us is merely to give in English the cost of the article at the home manufactory, and in English money, an almost exactly opposite system, which leaves the buyer to discover for himself, *if he can* (a work he will often not take the trouble to do), what the cost of that article will be when it reaches him, after paying freight, shipping, packing, and other charges, etc., and what the cost in £ s. d. is equivalent to in his own currency. These all involve nice calculations, which some would-be purchasers may not be capable of performing, and which, in any case, require considerable labour and inquiry. And why should he make any effort to do so when the foreign commercial traveller or the foreign catalogue, which he *can* read and perfectly understands, does all those calculations, and saves him all trouble in the matter? Moreover, they both go even further, and give him in his own language a description of the article, its weight in kilos, or in terms he understands (instead of in lbs. and tons, for instance, which he does *not* understand), its measurement when packed, and cost of packing, insurance, etc. This is intensely practical, and deserves the success in which it has resulted. Lastly, the question of commercial travellers is one that has been much neglected as a means of extending our trade. Their name is legion; but few are English. In comparison with foreign nations, we have absurdly few. Their advantages are manifest, bringing, as they do, not only full details as to price, etc., but also actual samples of the manufactured goods themselves. What customer would not rather buy from those nations which actually produce to them a sample of the article they have to sell, rather than from a mere catalogue's description, with its meagre supply of information, and in a language often not understood?

It was and may be still the practice of many English firms to refuse small orders from abroad for quite little sums (even if offered

to their agents or commercial travellers), and they never solicited them. They forgot that a small beginning often has important consequences, resulting in large profits. Foreigners do not, and did not, disdain them; they even sought them. They know that a small order, if satisfactorily executed, often leads to larger ones. This is but another instance of the attention paid by them to small things in trade. But it is just attention to trifles in commerce that so often leads to consequences of appalling magnitude, such as Germany's gradual rise in the industrial world and foreign commerce which is due, not so much to any great changes, improvements, or alterations, but to a mass of small variations, innovations, and modifications in her methods of dealing with industrial and commercial questions.

The supremacy in industries and, therefore, in foreign trade, will, inevitably, now rest with whatever nation pays most attention to detail. Seeing the present depression of our export trade, British manufacturers and merchants cannot do better than consider closely the foregoing statement, and the obvious suggestions contained in it. Let some of them study more closely foreign wants, tariffs, freights, and currencies, etc., and price their goods accordingly; let them do more to make their goods seek the customer; and let them try harder to induce customers, as other nations do, to give them orders. It may not be pleasant, but it is necessary. And above all, let not Great Britain suffer ever so slightly in her world-wide trade from any stubborn pride in affecting to despise or neglect that attention to detail and use of trivial but essential expedients to catch the foreign customer, which, in the hands of Germany and other nations, have been but too successful in luring away part of what was once British trade.

To sum up in a few words, our formidable rivals in trade have, it is asserted, investigated and studied the requirements and conditions of many local markets abroad more thoroughly and minutely than we have. In fact, they seem often to get into more direct touch with the customer.

The above summary puts concisely all the chief points which by many people are considered to be material to the maintenance of our present commercial supremacy, as regards the distribution of our produce abroad.

The latest proof of Germany's energy in pushing her foreign trade is to be found in the announcement in July, 1896, that the first number had appeared of the *German Industrial Advertiser*. This newspaper is written in the Japanese language, and has been published at great

cost, owing to the enormous number of characters required in printing. A similar paper in Chinese is to appear shortly on the same lines; and, later on, others will be published in many Oriental languages. The *Board of Trade Journal* gives the following summary of its objects: "It is hoped that it will be the beginning of a new era, not only with Japan, but with all Eastern trade. It is to be followed by books, pamphlets, and papers in all these languages, which will treat of all commercial questions. The first number deals with German houses making machines, iron and steel ware, etc.; the second is to take up, in addition, chemicals, textiles, glass, paper, all kinds of writing materials, optical articles, firearms, and ammunition; the third is to be filled with the names of all kinds of first-class German houses with editorial articles relating thereto. The succeeding numbers are to come out in such order and at such times as will be indicated by German consuls in Japan. These papers are to be sent direct to Japanese merchants, chambers of commerce, industrial unions, guilds, and engineers and manufacturers of all kinds; also to officials, clubs, and to all Japanese who have visited or studied in Germany. They are to be placed in the reading-rooms of hotels, railway stations, etc., wherever the Japanese assemble or find time to read; and they are great readers. The importance of such works as supplementary to the efforts of consuls, agents, and others interested in extending German trade is beyond estimate. The most interesting feature connected with this enterprising effort is the fact that this first paper was put together and the type set by young Germans trained in Oriental languages in the schools of Berlin. Japan and China are to be assaulted in such manner as to make resistance almost impossible. The Oriental world is to get as good a picture of Germany's powers and capacities as it is possible to put into book form. Agents who come back from China and Japan deliver lectures before the commercial clubs and unions, and urge merchants to make great efforts now, in the beginning, for the opening up of extensive trade relations with the East, picturing the possibilities in Germany's favour, and counselling the mastering of Oriental languages, especially Chinese."

The special school referred to in the above extract is the "Seminary for Oriental languages," attached to the University of Berlin. Its object has been to qualify students for civil service or commercial careers in Asia and Africa, and large sums have been spent on it. To what profitable commercial advancement the knowledge of its students

has now been put is shown by the above-mentioned new departure. In order not to be behind the times, let British exporters, at any rate, club together and copy our Teutonic rivals: let them send similar publications in all languages to all our foreign markets, before it is too late. It would be well worth their while. There are now two English papers, with advertisements in Japanese, issued in London quarterly,* which are distributed in Japan, and make English firms widely known. These do much good in this direction: but it is not sufficient.

In the East, the Levant, and South America, German trade has made exceptionally rapid strides. That to the port of Hamburg alone from the Levant increased nearly five-fold from 1890 to 1894. Evidence of the all-consuming desire of the German Empire to increase its foreign trade is everywhere apparent, and particularly so in the numerous commercial treaties made since 1891 with the special object of opening foreign markets to its surplus industrial produce. These treaties and their results are briefly mentioned in the chapter on "The Industrial Progress of the German Empire." That country is now our competitor in all industries, and has undoubtedly taken away a considerable portion of what was formerly essentially British trade. We have now to fear her in all quarters of the globe. Her progress in developing her exports and in displacing some of our staple commodities in neutral markets should be the subject of periodical and careful reports from all parts of the world, in order to prevent further undue appropriation. Germany is here selected as the most successful type of our modern rivals in commerce; but, in most instances, her tactics are also those of other Continental industrial nations, so that many of the remarks in this book apply equally to all. It is, of course, questionable whether too great an artificial inflation of the industries of Germany and other countries, by the many State-aids given them, is not in the end detrimental to the interests of all: for the bounties that go by this system to the manufacturer and exporter come out of the pockets of the people in the form of increased taxes and import duties, which enhance the general cost of living. All over the world, and especially in Eastern countries, the Germans are making great and special efforts to improve their commerce. Particular attention is, therefore, paid to fostering it by largely subsidising lines of steamers to the chief countries with which they trade. This enables them to charge lower freights

* *Journal of Japanese and English Industry*, and a reproduction in Japanese of the *British Journal of Trade*.

than we do, which desirable result is also facilitated by the cheaper working of German vessels. It is stated that some English steamship companies greatly impede British trade and favour that of other States by imposing higher rates from English ports than they do from Continental ones. This is especially the case to the East; and the only remedy is to ship by Continental vessels, and even *viâ* Continental ports. The exportation of English manufactures is also seriously handicapped by the very much heavier railway rates for goods at home than abroad. The State railways of other nations charge not only much lower freights, but they aid exportation by especially low rates to the coast. In these two important points we are distinctly at a disadvantage. Another consideration connected with freights, and too much neglected by our manufacturers, is the question of packing. In these days of finely calculated profits, a small difference in bulk may largely reduce the pecuniary benefit. English packing is said to be far behind American and German; and, moreover, the goods of both the latter arrive in far better condition than ours. There are often excellent reasons too for goods being packed in a particular way to suit local requirements. Foreigners take particular care to comply with these minor details.

Three main causes are sometimes assigned to explain Germany's commercial success: the superiority of her agents and exhibitors, her peculiar power of adapting goods to the requirements of foreign markets, and her credit system. All three seem to be true. Her agents are said to surpass ours in the art of selling, and possess the knack of finding out quickly what people do want, which their employers at once supply. What may be called the personal element counts for so much in pushing trade. During the late war between Japan and China, it was the fact of personal application to the mandarins that secured more orders for arms to the Germans than to us, which armaments, however, in some cases, actually came from English sources, though ordered through the German merchant. From all over the world comes strong testimony to the second point. The readiness of Continental manufacturers to meet the tastes of every small locality is astonishing. The question of credits, though last, is not the least important. "Nothing risk, nothing have." We have gone in for safe cash or short credit system; other nations risk something, but give long credits on, apparently, better terms than we do, and, consequently, have often supplanted us and gained a firm footing in bad times, which they never relinquish when

better return, and thus our trade has lost ground in some old-established markets.

In Germany are found many export unions, whose special aim is to promote foreign trade. These are organised systematically and practically to develop exportation, and do excellent service. They are always at work designing new ways of bringing German wares to the notice of foreigners, and of supplying them with every up-to-date information as to all kinds of commodities. Sample-rooms of the latest manufactures are kept open abroad by these societies, who also publish illustrated almanacs giving every detail of home products and the addresses of the firms who export them. The orders that these unions obtain by such methods and by their agents are immense. The Commercial Union of Saxony has done particularly good work in this respect, since its foundation in 1886. As to its wonderful achievements, I now quote from the March number of the *Board of Trade Journal*, 1896. "This Society has sent out seven travelling commissions to investigate trade prospects in Canada, Mexico, the West Indies, South America, Eastern Asia, and in the Southern and Eastern portions of Africa, thus spending £15,000, all to aid exports. It sent out 110,000 German and English catalogues; circulars in five languages; 48,000 reference books, also in five languages, calling attention to the industries of Saxony and Thuringia; 70 illustrated business albums, containing illustrations and references to Saxony's most important houses; and 150,000 other important articles, notices, and references. Since 1885, 8,000 merchants have seen the sample-rooms. In 10 years, answers have been given regarding the standing of foreign firms 9,000 times. Sample orders to the number of 13,000, covering a value of £350,000, were sent out. The finances of the Society are based on the annual membership fees. The officers, except the secretary, all give their services free. The Union has 46 principal agencies in Continental Europe, and 53 beyond the seas." "The 3,500,000 people of Saxony are pouring out into the world's market almost every kind of article known; and all over the Empire such unions are working to win away from France, England, and the United States part, if not all, of their foreign trade,"—thus reports an American consul to his Government.

Many countries are now sending commercial missions abroad to study the possible development of their foreign trade, an example which we are now following in China. The object of these missions is to send experts in mercantile matters abroad to examine on the

spot the requirements of local demand. At the end of 1895, a French mission went to China, and has done excellent work.

The *Board of Trade Journal* for October, 1896, gives the following account of its results :

"This report by M. Regnault, Consul of France, who had been sent early in the year on the above-named special commercial mission to the Levant, has been approved by the Minister of Commerce, and has been communicated by him to the Chambers of Commerce for the information of French manufacturers.

"M. Regnault proposes co-operation among manufacturers in sending commercial travellers abroad, and the evidence adduced by him confirms in several points the importance of a properly organised system of commercial travelling.

"Dealing first with the subject of French trade in the Levant, M. Regnault recommends the suppression of the middleman, and urges the producer to get in touch with the consumer. He expresses the opinion that this result can only be obtained by sending competent commercial travellers regularly to the principal centres of the East.

"The commercial traveller he considers to be the indispensable auxiliary of the manufacturer who wishes to extend his business by direct sale. The traveller will know what to think of the client, and will get to know the reliable firms—the rising firm to be encouraged, the falling houses to be watched. He should not only be thoroughly acquainted with the goods he has to place, but should be able to discuss them with his clients. He should not be satisfied with obtaining orders, but should also study other foreign articles of importation in local favour, obtain samples of them, and procure full information as to their manufacture.

"The commercial traveller would have opportunities of watching the local agent of his firm, and of ascertaining his competence, local influence, and reputation, and whether he does not, as often happens in the Levant, represent rival firms.

"An incompetent commercial traveller might do more harm than good ; hence the need of a fully competent, trained one—an employé of the firm, active and trustworthy, and conversant with the language of the countries he travels in.

"The traveller should ask the help of his Consul in the matter of local firms to be trusted, and agents to be chosen.

"M. Regnault then recommends, as a remedy for the great objection

of cost, the advantages of co-operation. Several manufacturers of the same locality, making goods of different nature but belonging to the same class, might co-operate. There should not, of course, be any competition among the several members of the syndicate.

"This system of co-operation is not new. It has been adopted for some years past in Germany, and, in the opinion of M. Regnault, it has enabled German industry to obtain a foothold everywhere.

"The German commercial traveller does not mind saddling himself with an article that could not defray the costs of his journey, but which would help to meet his expenditure. Having several kinds of goods to dispose of and recommend, he visits places of secondary importance, and discovers there a new set of purchasers, who had till then bought of the neighbouring centre. The profits given by this new *clientèle* may be small in themselves, yet they make a fair total, and the manufacturers also profit in many cases by the expansion of small firms with which they had opened business connections.

"M. Regnault estimates the cost of a ninety days' tour for a commercial traveller through Turkey, Roumania, Bulgaria, Servia, and Egypt at £100. That is to say, at a cost of £20 per head of an association of five manufacturers. A commission of three per cent. on sales would amply compensate the traveller.

"Lastly, M. Regnault refers to the necessity of a careful preliminary study of the means and cost of transport, and concludes with an appeal to French manufacturers to develop the spirit of initiation and co-operation.

"In the face of evidence such as the above it is not possible to doubt the accuracy of the assertion that in the old markets of the world German competition is to be feared."

The Germans have organised a mission this year with the same object for Eastern China. The United States despatched one, composed of ten commercial experts, to the Argentine Republic and to Uruguay at the end of last year; and this energetic step will, no doubt, result in considerable increase of trade between North America and the River Plate. Even Bulgaria is starting technical commercial agents abroad, whose duty it will be to report continually on trade and industrial questions, as well as on the economical condition of the countries in which they reside. The Germans have commercial attachés abroad, but they figure under other names. Some are called "technical attachés." In the Civil Service estimates of the German Empire for

1895-96, we find a sum of £3,750 allowed for salaries of agricultural specialists and forest verderers attached to imperial missions abroad. In the 1896-97 estimates a further sum of £1,250 is granted to this object. This is another new departure, and the system is to be tried in order to obtain early reports on the agricultural condition of foreign countries. Five of these new appointments are at London, Washington, St. Petersburg, Vienna, and Buenos Ayres, and the salaries are good ones. A commercial agent was some time ago attached by the German Government to their consulate at Chicago, in order to extend and develop commerce with the United States; and it is stated that he has been able to do excellent work in that direction.

It has recently been suggested that England should have commercial representatives or agents in her colonies, to report on their requirements and to foster inter-imperial trade. The colonies have their agents in London with this object, and though they have done most excellent service in this direction, it is thought that still more might perhaps be done by such agents in the colonies, whose particular duty it would be to gather information there as to what foreign goods were displacing ours, and why. I believe Canada herself has suggested such a course.

There is much reason to fear that British enterprise in commercial matters is not now by any means what it should be in many parts of the world; and it is far too often testified to by diplomatic and consular reports, to which but little attention is paid. Much valuable information and hints for the manufacturer have in the past been collected and published by our Foreign Office; but how little use has, unfortunately, been made at home of the continual advice and warnings which have emanated from her Majesty's representatives at all times and from all countries! As recently as July, 1895, Lord Cromer called attention to the unfavourable results for English firms and mercantile houses in competition for contracts and tenders even in Egypt—where one would imagine our opportunities to be great and quite exceptional—and to the increasing tendency of foreign enterprise to beat them in the open market. This is but one instance of the many on record. Markets for some commodities are lost through the reluctance of our merchants to make sacrifices at first in order to establish the reputation of their wares with the foreign public. The standing of good English makers is often recognised; but, unfortunately for us, business is now so much influenced by cheapness and facility of payment—two points in which our trade rivals appear to succeed better than we do—that once buyers

go to other countries and find things are cheaper and good enough for their purpose, they are reluctant to change back to British goods. Complaints, too, are heard that the former are always exactly what have been ordered, while our manufacturers do not always supply "repeat" orders of identically the same commodity, but send something similar, which, however, is not what was wanted by the customer. He, therefore, sometimes gives up English goods, even if he has tried them. One curious point is mentioned here that occurred in California. English exporters lost almost entirely the San Francisco market through their selling there to wholesale and retail people at a like price.* The former, consequently, gave up buying direct from England or English agents, and now go to New York importers. The fact that British goods go to San Francisco *via* New York, and through the hands of American importers there, and over 3,400 miles of railway rather than direct by sea from the exporters of Great Britain, shows that there must be something wrong in some details of our trading system.

From every corner of the world comes the universal cry, "Don't send us English catalogues." Consuls are tired of pointing out the uselessness of this procedure; their consulates are inundated with them, and they are unintelligible to the natives to whom they are intended to appeal. A few now turn up in foreign languages, but every one sent abroad should be in the language of the country it is sent to; and exporters should take steps and a great deal of trouble to distribute them to all foreign firms by post or by their commercial travellers and agents. Consuls assert that our catalogues are far behind those of the United States and Germany in every way, and need some of the radical improvements pointed out above.

One finds from all parts of the world in diplomatic and consular reports numerous instances of the harm done to us by the enterprise and competition of Germany and other nations, of which I record a few here for the reader's benefit. Information bearing especially on textiles and metals are mentioned in separate chapters under those heads.

In Egypt of all countries some of our manufactures continue to lose ground, and are being substituted by German goods, and even more by Belgian. A valuable report (dated February, 1896) by Mr. Rennell Rodd, Secretary in her Majesty's Diplomatic Service, on the subject of trade relations between Great Britain and Egypt, has recently been published by the Foreign Office (No. 319, Miscellaneous Series, 1896),

* Consular report on San Francisco.

the article on the cotton trade and the article on the sugar trade. The report strongly emphasizes the success of foreign trade in 1895. It gives a good insight into the position in a neutral way, and is well adapted to be taken upon as a typical example of the state of commerce in many countries.

It is pointed out that Egypt should not be allowed to look sharply after her present position there, but that she should be in the direction of suiting her policy to the best advantage, lest from neglect of her position she should be

TABLE 1886-95.

1,000 £.	
1886	1895 v. '85.
7,879	+ 315 or 4%
£641	- 185 or 7%

TABLE 1890-94.

TABLE 1890-94 as a whole in the decade, representing interest is still main-

TABLE 1890-94 in three categories—coals, iron, and other goods. Comparing the years 1890 to 1894 with 1886 to 1890, there is a general upward movement in the first two, the second is well maintained as a whole, and the third means advanced in proportion to the demand. In other articles our trade has been somewhat slightly, but the total amount of our exports and Germany have made rapid progress, from a total of £111,000 E. in 1886 to £1,111,000 E. in 1894, the latter from £64,000 E. to £1,111,000 E. with our meagre improvement of

6% in the same period. Coal is supplied exclusively by Great Britain, but in textiles there is great competition.

No. 20. IMPORTS OF TEXTILES IN £1000 E.

COUNTRIES.	1890.	1894.	+ or - '94 v. '90.	+ or - % '94 v. '90.
	£ E.	£ E.	£ E.	Per cent.
Total importation	2,768	3,033	+ 265	+ 9½
Great Britain	1,836	1,861	+ 25	+ 1½
Austria-Hungary	275	309	+ 34	+ 12
France and Algiers	220	270	+ 50	+ 22½
Turkey and Red Sea ports	188	178	- 10	- 5
Germany	28	91	+ 63	+ 235
Belgium	10	29	+ 19	+ 190

Our percentage of increase is merely 1½% in the five years, whereas Germany's and Belgium's are 235% and 190% respectively. Their imports of textiles, though small in proportion to ours, are rapidly increasing under this head. For cotton and woollen tissues, we have the following results :—

No. 21. IMPORTS OF COTTON AND WOOLLEN TISSUES,
1890-94 IN £1000 E.

	Years.	Total.	Great Britain.	Germany.	Austria.	France.	Percentage of British to total.
		£ E.	£ E.	£ E.	£ E.	£ E.	Per cent.
Cotton tissues	1890	1,611	1,456	1	19	29	89½
	1894	1,484	1,412	10	27	16	95
Woollen, Silk, and mixed tissues	1890	412	24	16	147	171	6
	1894	445	63	49	73	113	14

For cottons our proportion of the whole has risen from 89½% to 95%, and that of woollens, etc., has also improved from 6% to 14%. Germany and France are largely increasing their importation of cotton tissues, and the former also her woollen and silk manufactures. The ready-made clothing trade is almost entirely in Austrian hands. Foreigners are steadily encroaching on our former preserves, as this table shows—

I now analyse similarly metals and machinery.

No. 22. IMPORTS OF METALS AND MACHINERY IN £1000 E., 1890-94.

COUNTRY.	1890.	1894.	+ or - '94 v. '90.	+ or - % '94 v. '90.
	£ E.	£ E.	£ E.	Per cent.
Total importation	573	1,050	+ 477	83
Great Britain	345	510	+ 165	48
Belgium	48	243	+ 195	406
France and Algiers	137	151	+ 14	10
Germany	6	61	+ 55	916
Austria-Hungary	17	29	+ 12	70

Here Belgium is rapidly creeping up to us. In 1894 our importation was only double hers; in 1890 it had been seven times as large. Germany's proportion, though small, is also rapidly growing up. Details as to special classes of the above imports are tabulated and analysed in the next table.

No. 23. IMPORTS OF IRON AND STEEL, ETC., IN £1000 E., 1885-94.

	Years.	Total	Great Britain.	Germany.	Belgium.	France and Algiers.	Percentage of British to total.
		£ E.	£ E.	£ E.	£ E.	£ E.	Per cent.
Iron and steel	1885	232	146	(422)*	17	55	63
	1894	462	193	36	154	55	42
Copper and brass	1885	126	104	(371)	3	9	83
	1894	126	99	4	4	12	78
Machinery and parts thereof	1885	160	108	(45)	8	35	67
	1894	287	147	17	62	50	51
Rolling stock	1885	24	24	0	0	0	all
	1894	43	28	(49)	12	3	65

* Figures in brackets are under £1000.

In all four classes our proportion of the whole has been largely reduced, while that of all other countries has augmented to an alarming extent. Belgium's importation of iron and steel, for instance, in 1885, was only £17,000 versus £146,000 of ours; but in 1894 the former had risen to £154,000 versus our £195,000; the increase in Belgium machinery alone was also from £8,000 to £62,000 for the five years. Germany and Belgium are here developing important trades. England still supplies all the steel rails; but in 1895 Germany obtained the contract for iron ones by a bid 2% lower than that of English firms. Belgian houses got the orders for all the bridges by slightly lower tenders than we made.

British trade in Egypt is conducted far too much through foreign agencies. Such exclusively British manufactures as jute sacks, coming from India or Ireland, are supplied through German and other foreign local houses. No English tender was made for them from 1893 to 1895. The number of our firms that compete directly for Government adjudications is far smaller than that of other nationalities. The rate of commission charged by English agents of good standing in Egypt is so high that it is cheaper for the Government, for certain goods, to buy direct from us through an agent of their own in England with a nett saving of 17%. "The keen competition of the Continent, and especially of the Germans, as middlemen or brokers, has shown that safe business can be done on very low commission. Both Government departments and local traders will not only buy in the cheapest markets, but also through the cheapest channel." Englishmen should endeavour, by all available means, "to enter into direct communication with the consumer, who is supremely indifferent to the nationality of his furnisher." The foreign and native middlemen buy necessarily of the most obliging vendors. A point which is of great importance to them is that "continental firms are much easier about payments than ours, allowing at least six months' credit, and ready facilities for extension, so that time is given for a disposal of part of the consignment before the account for it is settled. English houses only give two, or at most three, months' credit, and frequently insist on payment on delivery. It is said to be largely by these credit facilities that German importers have lately so considerably increased their custom." "But many fraudulent bankruptcies also take place, so that the long credit system is not without its dangers." If, as is the case in Egypt, foreign manufacturers lay themselves out to suit the natives' wants, and offer articles more to their liking than ours, it is natural that the Egyptians should turn to them in preference. "In no other country do the wants of the people require more careful and special study than there." "Even English commercial travellers, for want of necessary qualifications, often have to place themselves in the hands of some foreign agent." Counterfeit marks of good English makers are found on many continental importations, and harm the credit of our goods. Though their trade is small compared with ours, "the Italians and Austrians already have chambers of commerce, or bodies analogous to them, at Alexandria." A similar British one is now about to be established there.

It appears that for Government contracts, "tenders are cut so low that inferior articles only will be accepted. English manufacturers are perhaps ultra-conservative in their views as to the standard and quality of machinery, etc., and might advantageously yield more in the direction of meeting the views of foreign markets. On the other hand, it is said to be hard to know the standard required in Egypt; the one to which their work is assimilated fails in competition from being too high and costly. Our tests, standards, weights and measures are all different to that of Continental nations; here we stand at a distinct disadvantage in foreign tenders. The fact is, that the competition of other countries is forcing upon us a special study of their methods; unless we conform to theirs, we cannot hope always to succeed in international competition. In bridge building in Egypt, we have been notoriously unsuccessful in competing for contracts."

The proportion of English materials, bought for Egyptian State railways, is concisely shown in the following comparison of 1894 and 1895, which I have put together.

NO. 24. ORIGIN OF MATERIALS FOR EGYPTIAN STATE RAILWAYS,
1894-95.

COUNTRY.	1894.		1895.	
	In £1000 E.	Percentage of whole.	In £1000 E.	Percentage of whole.
Great Britain	120	32	63	43
Belgium	107	28	53	36
France	103	27	5	3½
Turkey	35	9	8	5½
Germany	5	1	7	5½
Italy	1	0½	(800)	—
Russia	0	0	6	4
Total	373 *	—	145 *	—

* All sums above under £1000 neglected, total therefore larger.

From the above and other tables "it is obvious that the foreign trade of Egypt is in a preponderating degree in British hands; and its volume is so considerable that we cannot afford to neglect our interest in it. If British merchants will only devote to the maintenance of their present position an energy and enterprise similar to that which is displayed by other nations, now trying to secure a footing in the Egyptian market, there need be no cause for anxiety."

It would be an inestimable advantage could reports, similar to this admirable one of Mr. Rennell Rodd's on Egypt, be drawn up for every country of the world with which we trade. For want of such reports, my present work is not by any means so systematic and complete as one could wish. What I have tried to bring out in this book, by analytical tables, is the persistent and growing amount of foreign competition. It may still, in some places, be small in bulk and value in comparison with our trade, as in Egypt, but its sometimes abnormal growth from small beginnings seriously menaces part of our universal commerce. It is to this perhaps small growth that I so particularly wish to call attention, so that we may at once remedy any errors we may have been committing hitherto, and check any further developments before it is too late. I should be glad to see the imports of all countries and those of all our colonies examined and analysed on the lines of my analytical tables, so as to obtain a still better insight into our world's trade in relation to foreign competition.

A few other instances of foreign encroachments on our trade in neutral markets abroad are here noted from Foreign Office reports.

In Italy some English goods are being driven out. In the cotton trade the fact of our exporters despising small orders has led to Continental countries taking them; and they have benefited by their expansion, with the result that they have obtained possession of the market, and gradually defy our competition. Greater attention must be paid to designs, as in this respect we are being distanced by our trade rivals, especially Belgium.

In Turkey, Great Britain is losing ground largely in imports, and so is Belgium; but all other countries have not lost trade.

In Bulgaria, German and Austrian commodities are replacing ours. Our imports diminish while those of other nations grow larger. In 1894 our trade would have been 40% lower than it had been for years but for a special order to England for two steamers. The loss is due to iron and steel coming from Germany, and to that country's steadily increasing imports, as well as to Continental competition in the coarser cotton yarns and prints.

In Greece we find that our trade has, to a certain extent, followed the fluctuations of the total trade; but that of Germany, meanwhile, from 1891 to 1894 increased 27%, or from £287,000 to £365,000. From 1890 to 1895 our trade fell off in value by a quarter, whereas that of Germany increased by more than one half, or from £5,824,000 to

£9,357,000. It is stated that for every £100 of our goods imported in 1876, only £40 worth have been introduced into Greece in 1896—twenty years later. German and French firms are cutting us out, where a few years ago no competition was feared.

According to the latest report from Zanzibar, we are surely but slowly losing ground in the East African markets, as the demand there is, above all, for cheap merchandise, and because we take too little trouble to keep our hold there by satisfying the practical requirements of that district. From 1890 to 1895 we lost a fourth of our trade in piece goods; while the United States, India, and Holland increased theirs. American goods are preferred to ours because they can be better depended upon to be always of uniform weight, measurement, texture, and width in the piece; and they shrink less. They are also of better quality than ours that are produced at the same price.

In Servia, in 1893, Germany was the chief importer of woollen yarns for £6,361, versus our £2,376. In wool and hair goods her value stood at £21,848, as against our £8,524. The other principal purchases from Germans are cotton goods, metals, and clothing. Their success is mainly due to cheap railway tariffs, but also largely to their system of supplying goods in almost retail quantities and giving credit up to nine months or a year, without interest—a contrast to the British six months' credit, with 5% interest from the date of the account.

In some parts of France our imports of manufactures are diminishing because of the neglect of English exporters to adapt themselves to the wants of French people; German hardware is replacing English. At Brest our proportion of imports fell from 40% of the whole in 1894 to 27% in 1895, though the total value of foreign importation had increased by £41,000.

In Portugal two causes are operating to reduce our sale—the heavy, ever-varying duties and the superiority of the foreigner in working markets. Germany makes the cheapest things, and therefore furnishes large supplies, as her inferior articles, plus the onerous customs' dues, cost as much as better ones elsewhere. The Portuguese cannot afford to pay the duties *and* price of expensive English things.

In many South American countries Germans sell largely for these same reasons, and because emigrants, settlers, and workers in new countries cannot afford costly implements, tools, clothing, or other necessary commodities. British ones are often beyond their means. For this reason it would be well for the English manufacturer to

consider if it is not *now* well worth his while to make, in addition to his best quality commodities, other inferior ones—in fact, two distinct classes—so as to suit both demands and compete with the cheaper foreign-made articles, etc., as suggested earlier in this chapter.

In South America the number of German firms and houses has marvellously increased in late years, while in many parts that of English merchants has not, but has even decreased. Every year the former obtain more and more business and are growing wealthier. Our trade has by no means improved to such an extent as that of Germany. Her merchants have appeared in many places where they were unknown some years ago. The Spanish language is particularly easy to acquire, and is known to many of them at home for commercial purposes, as its knowledge covers an enormous trading extent of countries, more, in fact, than any other language except English. The latest consular report on Chile points out the encroachments of German trade, and that there are now far more German than English houses in Valparaiso. Anything that is cheap and practical is sure of a ready market. The choice of goods is to-day far greater than it was; and only such commodities as exactly suit each place's local requirements will now sell. The want of British commercial travellers is particularly seen in South America.

A few figures on the number of permits issued to commercial travellers in a very small country, like Switzerland,* will give point to this question, always too much ignored in England. Out of 4,469 licences granted there in 1894, 3,310, or 73%, were issued to German travellers, 653 to French, 175 to Italian, 154 to Austrian, 70 to Belgian, and 69 to English.

In many other countries is found testimony, similar to that of the above cited concrete cases of damage to our commerce, which it would be tedious to recapitulate here.

On reviewing the foregoing pages, one may say that there is still plenty of room in many directions for English enterprise and energy in combating this foreign competition which, partly through neglect, we have allowed to grow to its present formidable dimensions. There are, moreover, some alarming indications of the successful expedients that other nations are resorting to in order to secure foreign trade, and to divert to themselves portions that formerly belonged to Great Britain.

* Mr. A. Herbert's report to Foreign Office.

CHAPTER IV.

GROWTH AND PRESENT STATE OF BRITISH COMMERCE.

THE British Empire covers an area of some 11,399,000 square miles, or 21% of all the available land in the world. Its population is, probably, about 350 millions of people, or perhaps 25% of the whole population of our globe. So that within our own Empire the possibilities of commerce are immense, not to speak of that with foreign countries.

The vast importance of British shipping, to which we owe so much of our commercial prosperity, is hard to realise, unless by comparison with the rest of the world's mercantile marine. Its growth has been extraordinary during this century. With truth we may be said to have possessed the carrying trade of the world; but this, now, is partly falling away from us, owing to the rapid development of ship-building by other progressive nations. Taking steam tons (*i.e.* three sailing tons counting as one steam ton), our share of the whole is now 51%, or more than that of all other nations put together. But what is noticeable is that the German Empire now stands third on the list with 7%, and is only overshadowed by the United States with 11·7%. This immense shipping performs 75% of the carrying trade between the distant portions of our Empire, and also a large part of that of foreign countries. Great Britain's total tonnage this year is over 12,000,000, of which 9,500,000 belong to steamers. The tonnage of all North American ships is 2,164,000; and German vessels stand for 1,886,000. For the purposes of this book, it should be pointed out that since 1871 the number of tons of German shipping has doubled. Though the number of her sailing ships has decreased, that of steamers has multiplied from 147 in 1871 to 1,043 in 1895.

The present prosperity of Great Britain as a nation and as a European Power is based on her supremacy in commerce. Her pre-eminence in foreign trade led to the creation of our great navy to

protect our mercantile marine, and gave us command of the high seas, whereby our position as the first naval Power in the world has been maintained. Our wealth is due to British commercial enterprise in every part of the globe, and it has grown steadily throughout the century. Our total foreign trade has also developed enormously in recurring periods or cycles of greater or lesser yearly prosperity. For the growth has not been a steady one, year by year: which is encouraging and reassuring when considering the present reduction of commercial activity.

Our foreign trade, which in 1854 stood at **268** million pounds sterling, rose to **682** millions in 1873, only to decline periodically for the next six years to **612** millions in 1879. In 1883 it touched **732** millions, only to fall again and rise to nearly **749** (the highest figures ever reached) in 1890, since when another decrease took place, the total falling to **682** million pounds in 1893 and 1894. In 1895 a slight revival occurred. Comparative statistics of quinquennial periods show that we reached our highest state of prosperity, as regards average exports of British produce, in the years 1870 to 1874 with £7 7s. 3d. per head of population. For the periods 1885 to 1889, and 1890 to 1894 respectively, it had dropped to £6 3s. 8d. and £6 2s. 11d. As regards our total trade, the highest point touched was in 1880 to 1884 with £20 1s. 3d. per head. This fell to £18 4s. 5d. in 1885 to 1889, and to £18 14s. 10d. for 1890 to 1894. The value of imports rose from **152** million pounds in 1854 to **371** in 1873. The highest figures are found in 1891 with **435** millions, which was reduced to **417** in 1895.

But what concerns us more nearly are the exports of our own produce or manufactures, scheduled separately, in the Custom Returns, from foreign and colonial goods imported and re-exported. These exports of British origin increased steadily from **97,000,000** in 1854 to **£256,000,000** in 1872, from which date they yearly diminished till 1880, when a rise again took place; but the figures of 1872 have never but once since been equalled or exceeded. That took place in 1890, when they reached a total of **£263,000,000**. Since then, the decline continued to 1894 with **£215,824,000**, to rise to **£225,890,000** in 1895. So that our export of British manufactures and products has by no means progressed as it should, our exports of British origin being in 1895 **£30,000,000** less than in the year 1872—twenty-four years ago. This is, indeed, sad reading for a nation which, in that same period, has

increased its population by some 7 millions. Our most prosperous years in this respect were 1870 to 1874, during which time our exports of British produce averaged £235,000,000 a year.

With a normal progress of universal population and national wealth, our imports of foreign goods for home consumption, and exports of English products for foreign consumption, ought to expand gradually and steadily over a series of years. There are, however, cycles of depression in trade in which it ebbs and flows from disturbing causes: but, over recurring series of years, the regular onward course should be a marked one. Moreover, if our trade does ebb after the flow, it should never return after a cycle of years to as low or a lower point than it reached when the flow began. Should such an event take place—as I fear it undoubtedly has in some instances in comparing trade in 1895 with that of 1885 (or even with a more remote year)—it indicates a national misfortune and a dangerous portent of what the future may bring forth, the more so as 1895 was a year of considerable revival of trade, and 1885, on the contrary, was one of extraordinary depression. May it not be a harbinger of still worse times. Fortunately, 1895 has seen a marked revival, which England hopes is the precursor of better times to come. It is, however, expedient that the public should now learn by incontrovertible statistics what our trade in the last eleven years has really been, so that it may determine whether further strenuous efforts ought not to be made by the British Government and its people to do all in their power to improve the status of our world-wide commerce. And I venture to say that there are some means of ameliorating its condition.

My purpose in the following pages is to place graphically before the reader our precise standing, as regards foreign trade, in the last eleven years, 1885 to 1895. The characteristics of these particular years have been mentioned above, and the 1890 statistics are quoted as a halfway date, and as a year of noted prosperity. The 1875 figures are merely cited *en passant* to indicate the volume of trade twenty-one years ago, and but accentuate, in many cases, the unfavourable results brought out by the analysis of later years. Of course there is one point always to be remembered, that reduction of value need not necessarily mean reduction in quantity, as prices may have fallen considerably in the interval of comparison. That this has been the case with some commodities (such as iron, steel, and textiles) is well known; and, in considering special productions in later chapters, quantities as well as

values are, therefore, given. So that in all cases some allowance can be made on that score; how much it should be is not easy to calculate in dealing with foreign trade in bulk.

Another more important point not to be forgotten in examining the figures in the following pages, is that large quantities and values of goods which figure in our Customs returns as coming from some particular country may not be its own produce, but that of some other nation. In English statistics, as a rule, the maritime origin only of the goods is taken into account, not their real country of origin (which would necessitate the foreign system of certificates of origin, a system too intolerable to us in the present day), so that the trade returns of any given country are, sometimes, credited with merchandise which in reality is only in transit from some other nation. This is principally the case with Holland, Belgium, and France. From the first two, for instance, we receive very large quantities of goods in transit from Germany, which swell the exports of those places to us to unduly large dimensions. Hence the advisability of studying the export returns of foreign countries, for produce sent to us, rather than the British returns of imports from them. In the case of exports there are also considerable inaccuracies, though every effort is made by the Custom House to obtain from the shipper the true country of destination.

Few persons have yet realised the downhill road that English trade has taken in value in the last five years. We still hope this decline does not indicate damage done to us by foreign competition, but that the turn of the tide which has begun will bring us up to our former high level, as has happened in former years. May not this unfortunate reduction of our commerce, for its major part, be attributable rather to general depression in international transactions? Some of the reasons of our loss of trade are well known; but much still requires elucidation and explanation, to account for the phenomena which are here noted down in unanswerable figures.

Before presenting a tabular statement of our total foreign trade, the system of estimating the values of imports and exports obtaining in England is explained. The value of imports is that known as the *c.i.f.*; that is, cost, insurance, and freight. That of the exports is the invoice value at the port of departure. This, of course, excludes freight and insurance. Such method of computation by the Custom House has not varied since 1870.

No. 25. FOREIGN TRADE OF GREAT BRITAIN IN £1000.

CUSTOM HOUSE DISTINCTIONS.	IMPORTS AND EXPORTS.				ANALYSIS.		
	1875.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
	£	£	£	£	£	£	£
Total imports and exports*	655,551	642,408	748,944	702,522	+106,536	+60,114	-46,422
Imports	373,939	370,967	420,691	416,689	+ 49,724	+45,722	- 4,002
Exports	281,612	271,440	328,252	285,832	+ 56,812	+14,392	-42,420
Imports from British Possessions	84,423	84,360	95,932	95,104	+ 11,572	+10,744	- 828
Imports from foreign countries	289,515	286,565	324,256	320,607	+ 37,691	+34,042	- 3,649
Exports to British Possessions	76,655	85,424	94,006	75,463	+ 8,582	- 9,961	-18,543
Exports to foreign countries	204,957	185,979	233,244	209,030	+ 47,265	+23,051	-24,214
Total exports of British origin*	223,465	213,081	263,530	225,890	+ 50,449	+12,809	-37,640
Total exports of foreign and colonial origin	58,146	58,389	64,721	59,942	+ 6,332	+ 1,553	- 4,779

* Includes parcel post, except in 1875. Foreign and colonial parcel post began on July 1, 1885.

NOTE.—In all tables, sums under £1000 are neglected, making totals apparently inaccurate, but in these they are included.

The above table brings to light some most unexpected facts, if we turn to the analysis of the figures for the three special years. We see, in the first place, the startling fact that in 1895 our foreign commerce under all heads shows a large decrease in every item since 1890. Our total trade fell off by £46,422,000, which consisted of a reduction of £42,420,000 in exports and of £4,002,000 in imports. These losses consisted of £19,081,000 with British Possessions, and the balance of £27,341,000 with the rest of the countries of the world. The falling-off in exports to foreign nations was £24,214,000, and that to British Possessions of £18,543,000. Analysing the exports further still, it will be seen that those of paramount importance to us, namely, British products and manufactures, have been reduced by £37,640,000 in the course of those five years. The total trade of 1895 was valued at £702,522,000, of which £416,689,000 were imports and £285,832,000 exports, showing that the latter represent less than three-fourths of the value of the former. This difference of £130,857,000 is by some authorities accounted for by the fact that it represents (1) payment for our world-wide ocean carrying trade, (2) payment in goods by foreigners as interest on capital invested abroad, and (3) to a large

extent, the profits of home merchants on their foreign business. It does not, however, enter into my province here to discuss such questions, my sole intention being to expose facts in as concise a form as possible.

Taking the special period, 1885 to 1895, for purposes of comparison, Great Britain's total trade in eleven years had grown £60,114,000, or £45,722,000 in imports, and only £14,392,000 in exports, this latter being a melancholy sign of our decaying export trade, which had expanded by £56,812,000 from 1885 to 1890, but which again lost £42,420,000 in the subsequent five years.

From 1885 to 1890 our total trade had expanded by £106,536,000, and the exports had increased far more proportionally than the imports. In those five years exports of British origin increased by £50,449,000; in the next five they diminished by £37,640,000, leaving merely a nett gain of £12,809,000 for eleven years' progress in British production and manufacture.

The values of total trade and of exports of British origin per head of population, in the three years under consideration, work out thus:—

NO. 26. PROPORTION OF TOTAL TRADE, ETC., PER HEAD OF POPULATION.

Under head of—	1885.	1890.	1895.	+ or - '95 v '85.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Total trade	17 6 9	19 19 7	17 19 4	+ 0 12 7
Exports of British origin . .	5 18 4	7 0 7	5 15 6	- 0 2 10
Imports of all countries . . .	10 6 0	11 4 6	10 13 1	+ 0 7 1

Considering, therefore, the increase in population from 1885 to 1895, we have not improved our total foreign trade much per head in the course of eleven years; and the exportation of British produce and manufactures per head of the population in 1895 was less than in 1885 by 2s. 10d.—an actual retrograde movement, although the latter year was a noted one for depression in all branches of commerce, and especially in that of our staple products, such as iron, steel, textiles, and ship-building. Moreover, 1895 shows an increase of commercial activity after the severe depression of trade in 1893 and 1894. So that this result is all the more singular and lamentable.

No. 27. EXPORT OF THE PRODUCE AND MANUFACTURES OF UNITED
KINGDOM IN £1000.

EXPORTS.					ANALYSIS.		
DISTRIBUTION.	1875.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
	£	£	£	£	£	£	£
To foreign countries .	152,373	135,114	176,160	155,888	+ 41,046	+ 20,774	- 20,272
To British Possessions	71,092	77,929	87,370	70,001	+ 9,441	- 7,928	- 17,369
Totals	223,465	213,044	263,530	225,890	+ 50,486	+ 12,846	- 37,640

Turning to the subdivisions of exports of British origin, there are two distinctions made in order to be able to treat of English Possessions separately from foreign nations. Our exports to the former in 1885, 1890, and 1895, were £77,929,000, £87,370,000, and £70,001,000 respectively; so that in 1895 we exported £7,928,000 less to our own colonies than we did in 1885. In 1895 our Possessions abroad have actually taken £17,369,000 worth less of the mother country's productions and manufactures than they did in 1890. Though to foreign nations we sent £20,272,000 less in 1895 than in 1890—yet our 1895 exportation to them had increased by £20,774,000 since 1885.

No. 28. EXPORT OF FOREIGN AND COLONIAL MERCHANDISE FROM
GREAT BRITAIN IN £1000.

EXPORTS.					ANALYSIS.		
DISTRIBUTION.	1875.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
	£	£	£	£	£	£	£
To foreign countries .	52,583	50,864	57,569	53,871	+ 6,705	+ 3,007	- 3,698
To British Possessions	5,562	7,494	7,152	6,070	- 342	- 1,424	- 1,082
Totals	58,146	58,359	64,721	59,942	+ 6,362	+ 1,583	- 4,779

From the above table it will be noted that £3,698,000 less of foreign and colonial merchandise has passed through our hands for re-export to

foreign countries in 1895 than in 1890, but that it has increased by £3,007,000 since 1885, which seems a small improvement for Great Britain, the emporium and central market for such a large portion of the world's productions. To British Possessions £1,082,000 less of foreign and colonial produce passed through the United Kingdom in 1895 than in 1890.

Our transshipment trade in 1895 was £11,100,000, or less than in any one of the years 1871 to 1884 (except that of 1876), though better than any year since 1885 (except, again, in one year, 1893). Taking quinquennial periods for the last twenty-five years, our transshipment trade has never been since 1870 lower than in the period 1890 to 1894 with a yearly average of £10,300,000. In 1870 to 1874 it was £12,300,000.

The next point to elucidate is what our proportion of trade is with each foreign country, and where it is that the total loss since 1890 of £46,422,000 occurs, and in particular to which of them our exports fell off by £42,420,000. The loss to foreign countries, excluding British Possessions, was £24,214,000, as we have already observed; and we will first deal with that loss. It will be remembered that the reduction of £42,420,000 in exports consisted of £37,640,000 of British produce and manufactures, and of £4,779,000 of foreign and colonial goods.

The following table states our totals for trade with each country in 1885, 1890, and 1895 respectively, for all such as in value exceeded £2,000,000. They are arranged in order of their trade importance in the last of the three years. I would, however, mention here, that the value of our commerce with all our Possessions abroad exceeds that with any single foreign nation, and that the falling-off of exports to them is immeasurably greater in proportion than in those to all other countries. Our exports to foreign nations in 1895 were £209,030,000, with a reduction of £24,214,000 since 1890: those to British Possessions in the former were £75,463,000, with a diminution of £18,543,000 since the latter. But, as a matter of convenience, trade with our colonies will be examined after that with other States. In order of importance, after the United States, France, and Germany, come Australasia and British India, with totals of £52,709,000 and £51,918,000 respectively.

NO. 29. TOTALS OF TRADE WITH PRINCIPAL FOREIGN NATIONS IN
£1000 (EXCLUDING THEIR COLONIES AND POSSESSIONS).

Import- ance in 1895.	COUNTRY.	TOTALS OF TRADE.				ANALYSIS.		
		1875.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
		£	£	£	£	£	£	£
1.	United States . . .	94,652	117,573	143,625	130,616	+26,052	+13,043	-13,009
2.	France	74,012	58,730	69,538	67,794	+10,808	+ 9,064	- 1,744
3.	Germany	55,958	50,128	56,589	59,729	+ 6,461	+ 9,601	+ 3,140
4.	Holland	34,950	40,858	42,346	39,691	+ 1,488	- 1,167	- 2,655
5.	Russia	32,055	23,952	32,598	35,424	+ 8,646	+11,472	+ 2,826
6.	Belgium	28,617	28,946	30,978	29,480	+ 2,032	+ 534	- 1,498
7.	Spain	12,955	13,379	13,211	15,367	+ 4,832	+ 1,988	- 2,844
8.	Argentine Republic	3,850	6,639	12,660	14,565	+ 6,021	+ 7,926	+ 1,905
9.	Egypt	13,931	12,519	11,828	12,939	- 691	+ 420	+ 1,111
10.	Denmark	6,997	7,083	10,681	12,934	+ 3,598	+ 5,851	+ 2,253
11.	Sweden	10,952	11,517	12,892	12,820	+ 1,375	+ 1,303	- 72
12.	Turkey	12,902	11,516	12,157	11,385	+ 641	- 131	- 772
13.	Brazil	14,591	9,696	12,145	11,257	+ 2,449	+ 1,561	- 888
14.	Italy	12,802	10,477	11,617	9,344	+ 1,140	- 1,133	- 2,273
15.	China	18,751	14,129	11,594	8,707	- 2,535	- 5,422	- 2,887
16.	Chile	6,540	4,047	6,839	6,890	+ 2,792	+ 2,843	+ 51
17.	Norway	4,263	4,529	6,016	6,363	+ 1,487	+ 1,834	+ 347
18.	Japan	2,971	2,791	5,212	5,915	+ 2,421	+ 3,124	+ 703
19.	Portugal	7,525	4,771	5,554	4,357	+ 783	- 414	- 1,197
20.	Austrian Territories	2,496	3,277	3,422	3,371	+ 145	+ 94	- 51
21.	Roumania	1,757	3,604	5,797	3,062	+ 2,193	- 542	- 2,735
22.	Java (colony) . . .	3,196	4,633	2,709	2,633	- 1,924	- 2,000	- 76
23.	Central America . .	2,184	1,758	2,357	2,355	+ 599	+ 597	- 2
24.	Peru	6,702	2,706	2,288	2,134	- 418	- 572	- 154
25.	Mexico	1,702	1,591	2,555	2,122	+ 964	+ 531	- 433
26.	Greece	2,909	2,885	3,197	2,101	+ 312	- 784	- 1,096
27.	Philippines (colony)	2,499	1,959	2,678	2,049	+ 719	+ 90	- 629

On reading through the analysis of our trade, summarised in the above form, several odd, not to say extraordinary, facts appear.

The first is the prevalence of the minus sign, indicating loss of trade, in the column comparing 1895 with 1890. Out of the 27 countries tabulated only 8 showed an increase of commerce. The other 19 exhibit decreases amounting to £13,009,000 with the United States, to £2,735,000 with Roumania, to £2,655,000 with Holland, to £2,887,000 with China, to £2,844,000 with Spain, to £2,273,000 with Italy, to £1,744,000 with France, to £1,498,000 with Belgium, and to over £1,000,000 each with Portugal and Greece. Nine other minor States follow in this black list.

The second noteworthy point is to be found in the fact that, of the 27 nations named, 9 showed less trade with the United Kingdom in

1895 than in 1885. China heads the list with a loss of £5,422,000; Java follows with a reduction of £2,000,000; Holland and Italy come next with decreases of £1,167,000 and £1,133,000 respectively.

The third remarkable fact is the headlong downward course of our trade with China, which from £14,129,000 in 1885 fell to £11,594,000 in 1890, and then to £8,707,000 in 1895,—a loss of £5,422,000 in eleven years, or of more than one-third of the former total. It is true that the reduction is chiefly in imports, but our total exports to that country in 1895 were less than in 1885 by £152,000, when it should have increased by several millions. With Java, also, trade has steadily diminished in that same period by £2,000,000, from £4,633,000 to £2,633,000.

Regular increases of trade as a whole, during the interval covered by the three years in question, are only to be found in the cases of Germany, Russia, Argentine Republic, Denmark, and Japan. The rapid improvement in the volume of our commerce with the Argentine Republic in eleven years is particularly remarkable; it has increased 123%. But, on analysis of its constituent parts, it is regrettable to find that of the £7,926,000 of increase from 1885 to 1895, £7,024,000 consist of that rising country's exports to us—the small balance of merely £720,000 representing our total extension of exports in that period. Trade with Japan, in the same interval, developed 112%, from £2,791,000 to £5,915,000; and with Denmark 82%, from £7,083,000 to £12,934,000. In this case the Japanese increase of £3,124,000 was made up of only £651,000 of their imports to us, and of £2,474,000 of our exports to them—a satisfactory contrast to the Argentine Republic. But that of £5,851,000 with Denmark was again, with the exception of £881,000, entirely due to increased importation.

I think that every one will admit that this analysis of the foregoing table gives anything but satisfactory results, and plenty of cause for serious reflection. The startling fact that we did less trade in 1895 than in 1885 with 9 nations on my list of 27 is distressing; and the fact that our foreign trade with 19 of the tabulated countries is less in 1895 than in 1890 is somewhat alarming to a progressive nation like ourselves.

Our trade in imports and exports with the principal four industrial nations of the world is summarised here and analysed separately, though the results are also examined further on, together with 23 other countries (complete tables in appendix).

No. 30. TOTAL IMPORTS IN £1000 INTO ENGLAND FROM—

COUNTRY.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.
	£	£	£	£	£
Germany	23,069	26,073	26,992	+ 3,004	+ 3,923
Belgium	15,070	17,383	17,545	+ 2,313	+ 2,475
France	35,709	44,828	47,470	+ 9,119	+ 11,761
United States	86,478	97,283	86,548	+ 10,805	+ 70

No. 31. TOTAL EXPORTS IN £1000 FROM ENGLAND TO—

COUNTRY.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.
	£	£	£	£	£
Germany	27,059	30,516	32,736	+ 3,457	+ 5,677
Belgium	13,876	13,594	11,934	- 282	- 1,942
France	23,020	24,710	20,324	+ 1,690	- 2,696
United States	31,094	46,340	44,067	+ 15,246	+ 12,973

For the tabulated details of imports to and exports from each nation in these years, and their analysis, the reader must refer to the two tables facing each other in the appendix, Annex No. 2 (pp. 156 and 157), where he will find some statistics of anything but favourable significance. A few of the chief points only will be noted here.

Sixteen out of the 27 countries show a development of imports into England from 1885 to 1895, the largest amounts being £11,761,000 from the United States, over £7,000,000 each from the Argentine Republic and Russia, £4,970,000 from Denmark, £3,923,000 from Germany, £3,410,000 from Holland, £2,475,000 from Belgium, £1,850,000 from Spain, and £1,071,000 from Turkey. The other increases are all under £1,000,000. The percentages of increase are as follows: 383% from the Argentine Republic, 132% from Japan, 103% from Denmark, 40% each from Russia and Chile, 35% from Norway, 33% from France, 23% from Turkey, 20% from Spain, 17% from Germany, 16% from Belgium, 13% from Holland, 8% each from Egypt and Sweden, and 4% from Italy. Our imports from the United States were only $\frac{1}{12}$ % more in 1895 than in 1885, though her exports to us are always about double the value of those from France. The figures are £86,478,000 in 1885, £97,283,000 in 1890, and £86,548,000 in 1895; the total improvement being, therefore, only £70,000.

Eleven out of the 27 countries, on the contrary, imported less into England in 1895 than in 1885: the largest reductions are £5,271,000 from China and £2,178,000 from Java. The percentages of decrease for the 11 are as follows: 86% from the Philippines, 71% from Java, 61% from China, 43% from Austrian Territories, 35% each from Mexico and Greece, 27% from Peru, 23% from Roumania, 11% from Brazil, 8% from Central America, and 7% from Portugal.

Comparing 1890 with 1895, 13 out of the 27 show decreases in imports; the chief being the United States with £10,735,000, Roumania with £2,329,000, and China with £1,194,000. Steadily diminishing imports in all three years under examination are to be found in the cases of China, Java, Austrian Territories, Peru, and Mexico.

Our exports, as a whole, to foreign nations are now briefly considered; and those of British origin to each will then be investigated in a more detailed form. In 11 cases out of the 27 countries tabulated did our exports show a falling-off from 1885 to 1895, the largest amounts being £4,577,000 to Holland, £2,696,000 to France, £1,942,000 to Belgium, £1,257,000 to Italy, and £1,204,000 to Turkey. The other decreases—namely, Egypt, Portugal, Greece, the Philippines, China, and Peru—were for much smaller sums, amounting in all to £1,380,000; the highest being the Philippines with £536,000, and the lowest Peru with £58,000.

In the remaining 16 cases, on the other hand, the most important improvements were £12,973,000 to the United States, £5,677,000 to Germany, £4,446,000 to Russia, £2,474,000 to Japan, £2,032,000 to Brazil, £1,903,000 to Chile, and £1,029,000 to Austrian Territories. The other 9 are Denmark, Norway, Mexico, Argentine Republic, Sweden, Central America, Spain, Java, and Roumania, amounting in all to £4,953,000, the highest being Denmark with £881,000, and the lowest Roumania with £98,000.

Comparing 1890 with 1895, 19 out of the 27 show decreases in our exports to them, the chief being Holland with £5,173,000, France with £4,386,000, Argentine Republic with £3,050,000, Italy with £2,312,000, the United States with £2,273,000, Turkey with £1,708,000, Belgium with £1,660,000, Spain with £1,650,000, and China with £1,400,000.

A table, comparing the value of all British produce and manufactures sent to the 27 countries above mentioned, is now presented to the reader.

No. 32. EXPORTS OF BRITISH PRODUCE TO FOREIGN COUNTRIES.

Total trade im- portance in 1895.	COUNTRY.	EXPORTS.				ANALYSIS.		
		1875.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
		£	£	£	£	£	£	£
1.	United States	21,868	21,993	32,068	27,948	+ 10,075	+ 5,955	- 4,120
2.	France	15,357	14,978	16,567	13,869	+ 1,589	- 1,109	- 2,698
3.	Germany	23,287	16,415	19,293	20,580	+ 2,878	+ 4,165	+ 1,287
4.	Holland	13,118	8,878	10,121	7,374	+ 1,243	- 1,504	- 2,747
5.	Russia	8,059	4,191	5,751	7,004	+ 1,560	+ 2,813	+ 1,253
6.	Belgium	5,781	7,806	7,638	7,324	- 168	- 482	- 314
7.	Spain	3,430	3,163	4,999	3,638	+ 1,836	+ 475	- 1,361
8.	Argentine Republic	2,386	4,660	8,416	5,349	+ 3,756	+ 689	- 3,067
9.	Egypt	2,945	3,486	3,381	3,348	- 105	- 138	- 33
10.	Denmark (and Ice- land)	2,323	1,903	2,539	2,699	+ 636	+ 796	+ 160
11.	Sweden	2,801	2,178	3,061	3,020	+ 883	+ 842	- 41
12.	Turkey	5,889	6,132	6,772	5,347	+ 640	- 785	- 1,425
13.	Brazil	6,869	5,348	7,458	7,322	+ 2,110	+ 1,974	- 136
14.	Italy	6,766	6,627	7,757	5,545	+ 1,130	- 1,082	- 2,212
15.	China	4,928	5,187	6,608	5,253	+ 1,421	+ 66	- 1,355
16.	Chile	2,207	1,404	3,130	3,246	+ 1,726	+ 1,842	+ 116
17.	Norway	1,737	1,331	1,915	1,895	+ 584	+ 564	- 20
18.	Japan	2,460	2,077	4,081	4,638	+ 2,004	+ 2,561	+ 557
19.	Portugal	2,563	1,748	2,157	1,461	+ 409	- 287	- 696
20.	Austrian Territories	897	788	1,283	1,715	+ 495	+ 927	+ 432
21.	Roumania*	1,054	791	1,270	891	+ 479	+ 100	- 379
22.	Java (colony)	1,735	1,756	1,653	1,963	- 103	+ 207	+ 310
23.	Central America	846	670	987	1,316	+ 317	+ 646	+ 329
24.	Peru	1,594	704	1,123	681	+ 419	- 23	- 442
25.	Mexico	884	796	1,906	1,522	+ 1,110	+ 726	- 384
26.	Greece	938	873	1,157	806	+ 284	- 67	- 351
27.	Philippines (colony)	930	955	998	415	+ 43	- 540	- 583

* Wallachia and Moldavia, 1865 to 1878.

The analysis of this table of the exports of all products of purely English origin could hardly be more unsatisfactory.

Even from 1885 to 1890, when our commercial prosperity was increasing, three countries—Belgium, Egypt, and Java—show a smaller consumption of British goods. The reduction is small, it is true, being only £376,000 altogether; yet this should not be. The only improvements of any magnitude are £10,075,000 to the United States, £3,756,000 to the Argentine Republic, £2,878,000 to Germany, and about £2,000,000 each to Japan and Brazil.

Comparing the values of our domestic exports in 1885 and 1895, we ascertain to our astonishment that, in the latter year, we exported less, by £6,017,000, to 10 out of the 27 nations on this list than we did in the former year of great commercial depression. Holland

took £1,504,000 less of our products; France £1,109,000 less; Italy £1,082,000 less; and Turkey £785,000 less. The other losses were the Philippines (£540,000), Belgium (£482,000), Portugal (£287,000), Egypt (£138,000), Greece (£67,000), and Peru (£23,000). In this same period of 11 years we have increased our exports of British produce by £5,955,000 to the United States, by £4,165,000 to Germany, by £2,813,000 to Russia, by £2,561,000 to Japan, by £1,974,000 to Brazil, by £1,842,000 to Chile. No other country shows even an advance of £1,000,000 in the consumption of our products after the completion of this 11 years of expanding commerce.

On dealing with the comparison of 1895 with 1890, it will be seen that there is a minus sign—marking the downward course of our export trade—against 19 out of the 27 listed countries! This is indeed a black list; for, out of the 8 States which do show some improvement, there are only two exceeding £1,000,000 in value, and those are Germany with £1,287,000, and Russia with £1,253,000. With the exception of Japan, which has an increase of £557,000, there is no improvement in the other five exceeding £500,000.

Such figures need no comment, and but too sadly themselves explain their own statistical mission in developing the interesting subject which we are endeavouring to investigate in a most impartial spirit.

Our special trade in exports with the four most important industrial States—Germany, France, Belgium, and the United States—is next analysed. The figures for 1894 are also added, as they were made use of in chapter ii.

NO. 33. VALUE IN £1000 AND PERCENTAGES OF EXPORT TRADE
TO GERMANY, 1880-95.

YEAR.	I. Value of total German imports for home consumption.	II. Value of total British exports to Germany.	III. Value of total exports of British origin to Germany.	Percentage of Column II. to I.	Percentage of Column III. to I.
	£	£	£	Per cent.	Per cent.
1880	141,035	29,055	16,943	20½	12½
1885	147,220	27,059	16,415	18½	11½
1890	208,105	30,516	19,293	14½	9¼
1894	198,165	29,217	17,796	14¼	9
1895	206,033	32,736	20,580	16	10

To Germany both total exports and those of British origin diminished steadily in their proportionate relation to German imports for home

consumption from 1880 to 1894 (percentage columns), but a recovery took place in 1895. The values of both classes of exports, however, increased right through, being £3,681,000 larger for total exports, and £3,637,000 more for exports of British origin in 1895 than in 1880.

No. 34. VALUE IN £1000 AND PERCENTAGES OF EXPORT TRADE TO FRANCE, 1880-95.

YEAR.	I. Value of total French imports for home consumption.	II. Value of total British exports to France.	III. Value of total exports of British origin to France.	Percentage of Column II. to I.	Percentage of Column III. to I.
	£	£	£	Per cent.	Per cent.
1880	201,328	27,990	15,594	13 $\frac{9}{10}$	7 $\frac{3}{4}$
1885	163,536	23,020	14,978	14 $\frac{1}{12}$	9 $\frac{1}{6}$
1890	177,476	24,710	16,567	13 $\frac{1}{4}$	9 $\frac{1}{2}$
1894	154,016	19,751	13,525	12 $\frac{1}{2}$	8 $\frac{3}{4}$
1895	148,796	20,324	13,869	10 $\frac{1}{3}$	9 $\frac{1}{4}$

To France, on the contrary, the values diminished largely, and also the percentage of our total imports in that country. But the percentage of our exports of British produce to the total imports there had risen since 1880, and was much the same as in 1885 and 1890.

No. 35. VALUE IN £1000 AND PERCENTAGES OF EXPORT TRADE TO BELGIUM, 1880-95.

YEAR.	I. Value of total Belgian imports for home consumption.	II. Value of total British exports to Belgium.	III. Value of total exports of British origin to Belgium.	Percentage of Column II. to I.	Percentage of Column III. to I.
	£	£	£	Per cent.	Per cent.
1880	67,236	12,987	5,796	20	8 $\frac{1}{2}$
1885	53,882	13,876	7,806	25 $\frac{1}{2}$	14 $\frac{1}{2}$
1890	66,885	13,594	7,638	23 $\frac{1}{2}$	11 $\frac{1}{2}$
1894	62,982	13,041	7,631	20 $\frac{1}{2}$	12
1895	67,216	11,934	7,324	17 $\frac{1}{2}$	10 $\frac{1}{2}$

To Belgium, since 1885, both kinds of percentage have fallen to 1895; the value of our total exports was less, and so was that also of exports of British origin.

No. 36. VALUE IN £1000 AND PERCENTAGES OF EXPORT TRADE TO UNITED STATES, 1880-95.

YEAR.	I. Value of total American imports for home consumption.	II. Value of total British exports to United States.	III. Value of total exports of British origin to United States.	Percentage of Column II. to I.	Percentage of Column III. to I.
	£	£	£	Per cent.	Per cent.
1880	136,721*	37,954	30,855	27 $\frac{1}{2}$	22 $\frac{1}{2}$
1885	117,087	31,094	21,993	26 $\frac{1}{2}$	18 $\frac{1}{2}$
1890	161,828	46,340	32,068	28 $\frac{1}{2}$	19 $\frac{1}{2}$
1894	131,679	30,775	18,799	23 $\frac{1}{2}$	14 $\frac{1}{2}$
1895	149,547	44,067	27,948	29 $\frac{1}{2}$	18 $\frac{1}{2}$

* Always to June 30th of each year.

To the United States our total exports and their proportion to American imports for home consumption improved from 1880 to 1895, but were never so high as in 1890. For exportation there of British produce, our value had fallen considerably, and our percentage of their imports largely.

It would be beyond the scope of this work to enter into every detail of our losses or gains in exports. But, in order that the reader may be able to ascertain these minutiae for himself, I annex in the appendix (p. 196) a complete statement of all our articles of export in 1885 and 1895, showing the rise or fall in that interval: firstly, to British Possessions (Column I.); secondly, to all foreign countries (Column II.); and thirdly, the sum-totals of each to all parts of the world. The plus and minus signs, showing the results for each commodity, afford plenty of interesting study for those connected with our commerce. Textiles and metals are treated of separately, in chapters vi. and vii. I merely present here a table of our chief exports and their values in 1885, 1890, and 1895.

The following table shows more minus than plus signs on analysis (14 of the former to 11 of the latter) for our 25 chief exports from 1885 to 1895. The large increases are £5,005,000 for machinery, other than steam; £4,578,000 for coal; and £1,288,000 for chemical preparations. The large decreases are £2,274,000 for cotton yarn and twist, and £2,030,000 for iron and steel. The other principal decreases are £995,000 in hardware and cutlery (unenumerated), £956,000 in haberdashery and millinery, £941,000 in steam-engines and machinery, £656,000 in cotton manufactures, £650,000 for leather unwrought and manufactured,

£522,000 in silk goods, £398,000 in alkali, and £248,000 in rolling stock. Apparel, glass, "other" metals, and paper also show extensive reductions.

No. 37. EXPORTS OF PRINCIPAL BRITISH MANUFACTURES, 1885 TO 1895,
TO ALL COUNTRIES IN £1000.

DESCRIPTION.	1885.	1890.	1895.	+ or - Value '95 v. '85.
	£	£	£	£
Alkali	1,955	2,089	1,557	- 398
Arms, ammunition, and stores	1,811	1,869	2,493	+ 682
Apparel and slops	4,161	5,035	4,525	+ 364
Carriages (railway), and waggons	1,038	3,029	790	- 248
Chemical preparations	1,945	3,237	3,233	+ 1,288
Coal	10,022	17,801	14,600	+ 4,578
Cotton yarn, twist	11,865	12,341	9,291	- 2,574
Cotton manufactures	55,111	62,089	54,455	- 656
Earthen- and chinaware	1,838	2,238	2,170	+ 332
Glass manufactures	965	1,065	789	- 176
Haberdashery and millinery	2,308	2,112	1,352	- 956
Hardware and cutlery (unenumerated)	2,851	2,764	1,856	- 995
Implements and tools of industry	876	1,338	1,240	+ 364
Jute manufactures	1,904	2,625	2,168	+ 264
Leather, tanned, unwrought	1,701	1,388	1,422	- 279
" " manufactured	2,307	2,890	1,936	- 371
Linen manufactures	4,961	5,710	5,351	+ 390
Machinery, steam-engines	3,724	4,442	2,783	- 941
" other engines	7,362	11,967	12,367	+ 5,005
Metals, iron and steel	21,710	31,565	19,680	- 2,030
" others	4,455	3,901	4,244	- 211
Paper	1,582	1,678	1,436	- 146
Silk manufactures	1,957	2,229	1,435	- 522
Woollen and worsted yarn	4,382	4,086	5,372	+ 990
Woollen manufactures	18,847	20,418	19,737	+ 890

These results, then, for our staple articles of export in the 11 years are far from reassuring, and are quite enough to raise serious doubts as to the satisfactory position of our commerce at the present time.

After thus surveying the state of our trade, one realises the urgent necessity of taking every advantage of all possible openings for the development of our commerce abroad. Such opportunities are now, naturally, to be found mostly in the more distant parts of the globe (South America and Japan, for instance), and especially in those countries which have recently been more opened to foreign trade, such as China and South Africa, and also in Japan. It is in these directions that we must expect principally to develop future trade. Hence the importance of adopting every device of our trade rivals, especially in these newer neutral markets, so that at least we stand on a perfectly

equal footing with them as regards all commercial facilities afforded to the consumer buying European commodities.

The openings in Japan and China are mentioned in chapter ix. Another important one for British trade, that should by no means be neglected, is that with the Transvaal. The imports there have risen from £494,000 in 1886 to £9,816,000 in 1895. Of this latter sum, £6,900,000 came from the Cape. There are now three routes from the coast into the Transvaal. About 61% of the total imports come from Europe. We have heard of the great efforts of Germany to obtain a substantial commercial hold there; and their trade, through Delagoa Bay is steadily advancing, aided by the cheap freights of German vessels which now run to Lourenço Marques, which is to be the terminus of a new railway. That we must look sharply after our trading interests in South Africa is shown by the fact that the Americans also are doing excellent work in promoting their commerce there. A large Chicago firm that manufactures machines has established in the Transvaal a permanent agency with a depôt for their machinery, repairing workshops, and a technical department. Their agents on the spot at once send in plans and estimates, whenever any new mining projects are started, and can, if their tenders are accepted, immediately supply and erect the necessary machinery. The advantage of having competent agents and engineers actually in the country of sale, able to supply, erect, and even work the machinery at first, is of inestimable value to the vendor, as the purchaser is almost bound to give him the first chance, as the saving in time and trouble is immense.

At the Cape (through which the major part of the Transvaal trade goes) the flourishing condition of German trade as compared with ours is shown by the fact that, from 1890 to 1895, their imports there had increased over fourfold, or from £164,909 to £772,940, while ours had risen from £7,825,000 to £10,427,000. Both show great strides, but the German improvement is particularly remarkable.

CHAPTER V.

TRADE OF GREAT BRITAIN WITH HER COLONIES.

THE trade of the United Kingdom with her colonies and Possessions abroad is here tabulated for all such as exceeded in value a total of £2,000,000 in 1895. They are further arranged in order of their importance in that year.

No. 38. TOTAL TRADE WITH BRITISH POSSESSIONS IN £1000.*

Import- ance in 1895.	COLONIES.	TOTAL TRADE.				ANALYSIS		
		1875.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
		£	£	£	£	£	£	£
	Totals with all . . .	161,078	169,825	190,683	171,602	+ 20,858	+ 1,777	- 19,081
1.	Australasia	41,783	51,429	54,821	52,709	+ 3,392	+ 1,280	- 2,112
2.	British India	55,732	62,761	67,898	51,918	+ 5,137	- 10,843	- 15,980
3.	South Africa†	9,829	8,640	15,898	16,889	+ 7,258	+ 8,640	+ 991
4.	British North America	19,894	18,721	20,716	9,994	+ 1,995	- 8,727	- 10,722
5.	Straits Settlements . .	5,243	6,966	8,212	6,677	+ 1,246	- 289	- 1,535
6.	Ceylon	5,512	2,955	4,376	5,542	+ 1,421	+ 2,587	+ 1,166
7.	British West Indies . .	10,601	4,554	4,706	4,222	+ 152	- 332	- 484
8.	West Coast of Africa . .	467	1,633	2,016	18,876	+ 383	+ 2,243	+ 1,860
9.	Hong Kong	4,994	5,030	8,966	2,803	- 1,064	- 2,227	- 1,163
10.	Channel Islands	1,498	1,518	1,877	2,338	+ 359	+ 820	+ 461

† (Cape and Natal).

‡ Niger Protectorate new in 1891.

What at once strikes us here is the loss of trade with all our Colonies and Possessions (including also those not listed in the table) of £19,081,000 in the last 5 years, and of a nett gain of only £1,777,000 in the last 10, or merely an increase from £169,825,000 to £171,602,000 to represent the total progress of our commerce with all the rich Possessions of our Empire from 1885 to 1895. But for an improvement amounting in these 11 years to £8,640,000 with South Africa, 1895

* Includes parcel post.

would have shown a loss since 1885 of £6,863,000. Can we read such figures with equanimity? Was it not time that our Secretary of State for the Colonies should institute an inquiry into inter-imperial commerce, and try to elucidate what has become of the mother-country's trade with her vast Possessions in all quarters of the globe? Between the years 1885 and 1895 the only satisfactory improvement is that with South Africa, which doubled its volume (from £8,640,000 to £16,889,000) in this interval, and that with the West Coast of Africa and Ceylon, the former of which increased from £1,633,000 to £3,876,000, and the latter from £2,955,000 to £5,542,000. Australasia and the Channel Islands are the only others, the first showing a miserable gain of £1,280,000 on a total of £51,429,000. This is all the advance our colonial trade can show for the past 11 years. Turning to the losses in that period, British India stands out with a decrease of £10,843,000, British North America figures for £8,727,000 less trade, and Hong Kong for a diminution of £2,227,000. In the case of the two latter, our trade with them last year was only about one-half of what it was 11 years ago. With only 5 colonies, therefore, out of the 10 did our trade show any advance from 1885 to 1895.

A comparison of 1895 with 1890 is, of course, still more unsatisfactory reading, with the total reduction of £19,081,000. The only gains are £1,860,000 with the West Coast of Africa, £1,166,000 with Ceylon, £991,000 with South Africa, and £461,000 with the Channel Islands. The losses are immense: £15,980,000 with British India, £10,722,000 with British North America, £2,112,000 with Australasia, £1,535,000 with the Straits Settlements, £1,163,000 with Hong Kong, and £484,000 with the West Indies. With only 4 Colonies, therefore, out of 10 did our trade at all improve from 1890 to 1895.

The interesting point to elucidate now is whether such losses are due to a reduction in our exports to the Colonies, or to a diminution of our imports from them. It is with regret that we find that the total loss of £19,081,000 in the years 1890 to 1895 is made up of £18,450,000 of our exports, and of only £631,000 of the imports from our Colonial Empire. Further, we ascertain that the meagre total gain from 1885 to 1895 of £1,777,000 is composed of a loss of not less than £9,352,000 in our exports to our Possessions, *versus* an improvement of £11,129,000 in Colonial imports. The imports from the same ten chief Colonies are now tabulated and analysed.

No. 39. IMPORTS FROM BRITISH POSSESSIONS IN £1000.*

IMPORTS.						ANALYSIS.		
Total trade im- portance in 1895.	COLONIES.	1875.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
		£	£	£	£	£	£	£
	Imports from all . . .	84,423	84,401	96,161	95,530	+ 11,760	+ 11,129	- 631
1.	Australasia	20,559	23,325	29,350	33,362	+ 6,025	+ 10,037	+ 4,012
2.	British India	30,137	31,882	32,668	26,431	+ 786	- 5,451	- 6,237
3.	South Africa	4,478	4,456	6,095	5,426	+ 1,639	+ 970	- 669
4.	British North America . . .	10,212	10,347	12,444	13,400	+ 2,097	+ 3,053	+ 956
5.	Straits Settlements . . .	3,149	4,442	5,187	4,645	+ 745	+ 203	- 542
6.	Ceylon	4,380	2,389	3,411	4,524	+ 1,022	+ 2,135	+ 1,113
7.	British West Indies . . .	7,326	2,531	1,806	1,863	- 725	- 668	+ 57
8.	West Coast of Africa . . .	139	879	1,075	2,114	+ 196	+ 1,235	+ 1,039
9.	Hong Kong	1,154	968	1,225	759	+ 257	- 209	- 466
10.	Channel Islands	707	809	958	1,184	+ 149	+ 375	+ 226

Taking 1885 and 1895, there is an improvement of £10,037,000 from Australia, of £3,053,000 from British North America, and of £2,135,000 from Ceylon. But India stands for a large loss of £5,451,000 in the 11 years. There is also less trade with the West Indies and Hong Kong.

In the period 1890 to 1895, we note from Australasia an increase of £4,012,000; but, on the other hand, there is a decrease of £6,237,000 from British India.

Exports to our foreign Possessions will next be examined.

No. 40. TOTAL EXPORTS TO BRITISH POSSESSIONS IN £1000.*

TOTAL EXPORTS.						ANALYSIS.		
Total trade im- portance in 1895.	COLONIES.	1875.	1895.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
		£	£	£	£	£	£	£
	Exports to all	76,655	85,424	94,522	76,072	+ 9,098	- 9,352	- 18,450
1.	Australasia	21,224	28,104	25,470	19,347	- 2,634	- 8,757	- 6,123
2.	British India	25,595	30,878	35,230	25,487	+ 4,352	- 5,391	- 9,743
3.	South Africa	5,350	4,182	9,803	11,463	+ 5,621	+ 7,281	+ 1,660
4.	British North America . . .	9,682	8,374	8,272	6,594	- 102	- 1,780	- 1,678
5.	Straits Settlements . . .	2,094	2,524	3,024	2,032	+ 500	- 492	- 992
6.	Ceylon	1,131	565	964	1,017	+ 399	+ 452	+ 53
7.	British West Indies . . .	3,275	2,022	2,900	2,358	+ 878	+ 336	- 542
8.	West Coast of Africa . . .	327	753	941	1,762	+ 188	+ 1,009	+ 821
9.	Hong Kong	3,839	4,062	2,741	2,044	- 1,321	- 2,018	- 697
10.	Channel Islands	791	708	919	1,154	+ 211	+ 446	+ 235

* Includes parcel post.

Of the results of all my investigations into our foreign commerce, I record none with greater regret than these bearing on our exports to English Colonies. As before mentioned, the decrease to them of £18,543,000 from 1890 to 1895 on a total export trade of £94,006,000 in the former year is an incomparably more serious loss, in every way, than that of £24,214,000 to foreign countries in the same period on a total exportation of £233,244,000. In the case of the Colonies the diminution is 19% *versus* one of 10% for exports to other nations. A comparison of 1885 with 1895 shows an increase of £23,051,000, or of 12% in exports to the latter, but a decrease of £9,961,000, or of 11% to the former.

Looking at individual Colonies, it is at least startling to find that in 1895 we exported to Australasia and British India respectively £8,757,000, and £5,391,000 less than we did in 1885. In the same eleven years, our exports to Hong Kong fell off by £2,018,000, and to British North America by £1,780,000. There is also a diminution of £492,000 to the Straits Settlements. The percentages of decrease are as follows: 49% to Hong Kong, 31% to Australasia, 21% to Canada and other North American Colonies, 19% to the Straits Settlements, and 17% to India.

Why is it that there is such an appalling cessation of exportation to these the most important of our Imperial Possessions? Is it that Continental or other nations are now supplying a part of what England used to manufacture and export to them? Or is it that the local manufactures of those countries are supplying that large deficiency? In these 11 years, it is only with South Africa that there is an extraordinary improvement of £7,281,000, or of nearly 174%. The other increases are 134% to the West Coast of Africa, 80% to Ceylon, 63% to the Channel Islands, and 16% to the West Indies.

From 1890 to 1895 the decline of £18,450,000 in our export Colonial trade consists chiefly of a reduction of £9,743,000 to India, and of one of £6,123,000 to Australasia. It is our Colonies in Australia that show the most regular downhill course in this respect, with a diminution of £2,634,000 from 1885 to 1890, and of a further one of £6,123,000 from 1890 to 1895, making a total loss of £8,757,000 to them in the course of 11 years. In this latter period of 5 years, British North America has also reduced her consumption of our produce by £1,678,000; Ceylon takes £992,000 less, Hong Kong £697,000 less, and the West Indies £542,000 less.

It may be suggested that this decrease of our exports to British Colonies does not consist so much in the products of English origin as in foreign produce sent to them *viâ* England. Would that it were so! But, on consulting the Custom House returns as tabulated below, we find that a very small proportion indeed of the whole export to them is of foreign origin, amounting only to £7,495,000 in 1885, to £7,152,000 in 1890, and to £6,071,000 in 1895 (compare table No. 40, page 78). So that even this hope is at once excluded from the question.

No. 41. EXPORTS OF BRITISH ORIGIN TO COLONIES IN £1000.

Total trade im- portance in 1895.	COLONIES.	EXPORTS.				ANALYSIS IN PERCENTAGES.		
		1875.	1885.	1890.	1895.	+ or - '90 c. '85.	+ or - '95 c. '85.	+ or - '95 c. '90.
		£	£	£	£	Per cent.	Per cent.	Per cent.
	To all British Possessions	71,092	77,929	87,370	70,001	+ 12	- 10	- 20
1.	Australasia	19,491	25,166	23,006	17,313	- 8	- 31	- 24
2.	British India	24,246	29,288	33,641	24,706	+ 15	- 15	- 26
3.	South Africa	4,909	3,824	9,128	10,581	+ 138	+ 176	+ 15
4.	British North America .	9,036	7,206	7,225	5,538	+ (½)	- 23	- 23
5.	Straits Settlements . . .	1,961	2,345	2,883	1,970	+ 2	- 16	- 31
6.	Ceylon	1,076	533	921	979	+ 73	+ 83	+ 6
7.	British West Indies . . .	2,935	1,815	2,626	2,104	+ 44	+ 16	- 20
8.	West Coast of Africa . . .	275	665	852	1,558	+ 28	+ 134	+ 84
9.	Hong Kong	3,599	3,757	2,528	1,897	- 32	- 49	- 25
10.	Channel Islands	641	511	726	943	+ 42	+ 84	+ 30

This table shows a total reduction of 10% from 1885 to 1895, of 49% to Hong Kong, of 31% to Australia, of 23% to British North America, of 16% to Ceylon, and of 15% to India. From 1890 to 1895 the percentage of loss is far greater, being 20% for our total exports of British origin to the Colonies. As to other details I leave the table itself to teach its unpalatable lesson.

In the above-mentioned statistics and analysis of our Colonial trade lie what I think may be considered to be one of the saddest pages of our commercial history in this century. Of course it will be said that the Colonies now manufacture to some extent, especially in Australia. This is true, but does it account for such large losses in our exports to them? For special statistics for our chief Colonies from 1875 to 1895, see appendix, Annex No. 7 (p. 173). For the rise or fall of each article of our exportation to them, also see appendix, Annex No. 10 (p. 196), Column I.

The practical objective lesson, as illustrated by the recent exhibition in London of Colonial imports in the West Indies, has been most instructive to the British nation, and does great credit to Mr. Chamberlain's energetic researches in inter-imperial trade. That exhibition and the descriptive statements accompanying the samples of foreign manufactures sent to our Colonies demonstrate why some of our products have been displaced there, and confirm the views set forth throughout these pages. It is greatly to be feared that the case of the West Indies is but a too true criterion of what is taking place all over the world—even in our own Colonies. In confirmation of this deplorable but inevitable view of British trade with our own Possessions, I shall now quote largely from a most interesting report on our Australian Colony of Victoria by Mr. Bruford, which was drawn up by him at the request of the Secretary of State for the Colonies, and which was quoted from at length in last September's number of the *Board of Trade Journal*, from which I extract the following summary.

As far as he could ascertain, some 33% of the total consisted of goods of other nations, leaving 67% for ours. He shows why foreigners hold so much trade in our Colonies, and makes the following observations on the subject, when comparing 1889 with 1894:—

“Whether foreign trade, in proportion to the total commerce, has increased or decreased since 1884 or 1889 cannot be definitely stated, but it is the opinion of a majority of those best able to judge that there is no greater proportion of foreign trade transacted in Victoria than there was in 1884. In fabrics for women's wear, and some other articles, the Continental countries have improved their position; in hardware and heavy fabrics the British trade has advanced; whilst in wooden goods the United States now, as heretofore, maintains supremacy in the markets of Victoria. Lately the trade in iron and steel has been threatened by the competition of Germany.

“The subsidies given to the German and French lines undoubtedly assist foreign trade. Without the subsidies, steam-ships of the class which form these lines could not be run to Germany or France at a profit, and the subsidies enable the vessels to carry goods at a lower rate of freight than they could otherwise do; but it must be remembered that British merchants probably participate in the benefits of the lower freights caused by the subsidies. They can ship goods by the German line at a cheaper rate than if that line were not subsidised. The German and French lines carry quantities of British goods to Victoria.

"The competition between British and foreign commerce in Victoria is very little affected by the terms of credit. As a rule, a buyer is able to dictate his own terms to foreigners, and very often to arrange them satisfactorily with British houses. Generally speaking, there is not much difference between the length of credit given by foreign and British firms, but in special lines it is sometimes the custom for British houses to give the longer credit and sometimes the reverse.

"Notwithstanding this similarity of terms, the custom of British and foreign houses in dealing with their customers differs greatly. A British manufacturer very often acts by a fixed rule in granting credit. If the customer be unknown to him he sends his bills of lading to a bank to be delivered on payment of cash only, and he makes few concessions from his fixed rules to any class of buyers. The Germans, and to some extent the French manufacturers, pursue an exactly opposite course. They are ready to offer special terms to secure business. If a buyer be unknown to them they will take the trouble to make inquiries respecting his financial standing, instead of requiring cash payment as a matter of course.

"As a rule, more trust is given by foreigners than by the British, and this method of doing business must necessarily secure to them some trade which might otherwise be held by British manufacturers.

"It is not amongst the wealthy firms that any advantage is gained in this manner by foreigners, but the foreign agent selling to the small retail shops must, by granting special easy terms, be able to largely increase his trade.

"The enactment of the Merchandise Marks Act by Great Britain, and its adoption by Victoria, has to a very great extent stopped the sale there of foreign goods as British. The effect of the Statute is held by Victorian merchants to have been wholly beneficial to British trade. (The Act, which was formerly known as the Merchandise Marks Act, is now Part II. of the Victorian Trade Marks Act, 1890.)

"The Act, however, is evaded in several ways, and in spite of the law some foreign goods are sold in Victoria as British. Many articles partly made in Germany, France, and Belgium, are sent over to Great Britain, where they are finished and branded with the name of a British firm.

"A still more important evasion of the Trade Marks Statute takes place in regard to small boxed or carded goods. There is evidence that

such articles as pocket-knives are sent to Great Britain, probably correctly marked on the box or card, "Made in Germany," but in Great Britain they are re-boxed or re-carded and marked with a British firm's name. These articles cannot legally be imported under the Victorian Trade Marks Act, but it will be at once seen how difficult it is to detect or prove a fraud of this description. It is obviously much easier to administer the Trade Marks Act in regard to goods coming direct from foreign countries than it is in regard to foreign goods arriving from Great Britain. These evasions of the Trade Marks Act are distinctly detrimental to British Trade, as the words 'Made in Germany' are not in the colony any recommendation; whilst an indication that goods are made in Great Britain is generally looked upon as a guarantee of honest workmanship.

"British exporters to Victoria generally attain the one object they appear to aim at in packing, viz., the transmission of their goods to their destination without damage. The cases of such goods as are cased are superior to continental ones, which are often too large and too weak, but in many other respects there is need for other methods than those followed.

"Firstly, sufficient attention is not given to the necessity of packing in a small compass. For transmission to a distant colony this is important, because the smaller the cubic measurement in which goods can be packed the less is the freight, the storage, the cartage, the wharfage rates, and sometimes the duty. American goods, and sometimes German goods, are more closely packed than British goods without in any way increasing the risk of breakage or damage. Whenever a duty by measurement has been placed on any article in Victoria, it has been found that the Americans and sometimes the Germans have proved themselves able to place a greater quantity in a cubic foot than the British. The trade in lamp-glasses, bottles, and some other items has been seriously affected by the difference in the closeness of packing.

"A feature of United States packing is the more general practice of making up articles into trade packages—that is, into packages which can be bought and sold in the cases in which they are imported. Clocks, lamps, and many such articles are sent in cases of unvarying size, and containing a suitable number of articles for sale to retail shopkeepers, when similar goods from the Continent or from Great Britain would be sent in larger cases of irregular size, designed for no other purpose than to convey the goods to Melbourne.

"Further, the United States use largely specially prepared pitch-paper for lining cases, where the British use metal. The experience in Victoria is that the pitch-paper is as effectual in preserving goods as metal, and that it is lighter and more convenient.

"In the boxing or 'get up' of small goods the United States manufacturers excel. They use cardboard boxes in numerous instances where the British pack in brown-paper parcels, and the United States practice is held to be preferable, for the reason that the box is suitable for placing on the shelves of a shop. As regards the goods which are packed in boxes both in Great Britain and the United States, the boxing is nearly always better done in the latter country, the boxes being stronger and more sightly. British goods can commonly be picked out in the stock of a hardware store by the greater number of broken boxes. The excellence of the Manilla paper and card-board boxes used in the United States has been a considerable factor in advancing American trade.

"Victorian merchants say that 'the Germans bring their goods to the buyers, while the British wait for the buyers to come to them,' and undoubtedly this is the experience of the colony. Large numbers of German manufacturers are represented by travelling agents, who display the greatest energy in transacting business—an energy which amounts to pertinacity. These agents live on less than the British, and they are not put to the expense of a large establishment or warehouse. Their only requirement for business is a sample room. They sell direct to retailers, and are content to take small orders, and to offer special terms for the purpose of making sales. As many houses buy in London only, the travelling agents make it their business to study the requirements of these houses in Victoria, and find out the buyers in London in order that samples may be submitted there. They are constantly bringing forward close imitations of the saleable goods in the market a little lower in quality and in price than the articles copied. In all this their methods are in direct contrast to those of the British. There are travelling agents from Great Britain, the United States, and from other countries, but they do not equal those from Germany in energy or in pertinacity.

"The foreign countries which trade largely in Victoria have established many resident agents, who ably represent individual manufacturers. This is not the case to so great an extent with the British. Many British manufacturers whose goods are in common

demand are not represented at all, whilst others give their agencies to Victorian merchants who have many other interests, sometimes, perhaps, conflicting with those of their principals.

"The effect of these differences in the method of establishing agencies is that many foreign goods are in Victoria on consignment by the manufacturers, whilst British goods are mainly those which have been bought from the manufacturers in Great Britain, and which it is no one's interest to specially push forward. A warehouseman in the colony with British and foreign goods for sale gains nothing by selling one instead of the other. This must be prejudicial to British industry.

"An opinion is almost universally held by Victorian buyers that British manufacturers are 'too conservative,' that they will not vary their patterns or styles, their manner of packing, their terms, or make any concessions in their inflexible rules to suit even their best customers. They make for the British market only, and if the goods are not suitable to Victoria the supply must be sought elsewhere. Instances of the loss of British trade by the failure of British manufacturers to realise the requirements of this market have been met with frequently in making the necessary inquiries for this report, amongst which the following may be quoted as examples of many more:—The British lost the trade of Victoria in tacks by failing to pack them in cardboard boxes instead of paper packages. They were, to a large extent, cut out in the market for cartridges by declining to pack them in packages of 25 instead of 100. Both these defects have now been remedied, but the trade has to be regained. In very many cases the shape of British articles is unsuitable to Victoria; the hammer, for instance, is not, in the opinion of Victorian carpenters, nearly so well shaped as the American hammer, but the British pattern seems unalterable; the same may be said of many tools and articles in common use.

"With regard to tools and implements, the well-known talent of the United States manufacturers in producing the best shapes for utility gives them a strong position in a market the requirements of which are somewhat similar to those of America. The British do not attempt to assail that position, but the Germans copy American inventions, and compete with the Americans whenever the patent laws do not prevent it. Speaking very generally, it may be said that foreign nations find it worth their while to vary their manufactures to suit the requirements of Victoria and other colonies similarly

situated, whilst the British manufacturers keep to a beaten track. They are said to disregard suggestions for alterations or improvements, whilst foreigners are more willing to comply with the wishes of even comparatively small buyers.

"Another great divergence in the methods of transacting business pursued by the British and foreign nations consists in the different amount of assistance in certain directions given by the Governments of the one and of the other. All foreign nations which trade with the colony have consulates in Melbourne, and the Consuls are to a great extent trade agents. Their principal business is to foster trade, and they keep their Governments well informed in all matters by which this end can be attained. This information is disseminated in their respective countries, and it must be of great value both to manufacturers and Governments. The Consuls, or at least some of them, can be applied to by persons seeking to extend their business, and many of them are known to supply information direct to applicants of their own nationality. The British have no corresponding institution. Their governors or administrators are not always business men, and they are not in a position to send such minute information to the Government or to private inquirers as are foreign Consuls; whilst in many foreign countries, where the merely commercial interests are not nearly so large as they are in Victoria, the British nation has a consular representative who makes the trade of the place a special study.

"The result of this difference of practice is twofold: first, the British Government is not so well informed of the trade of Victoria as it is of that of foreign countries; and, second, foreign nations are better acquainted with the trade of Victoria than is the British nation. As has been shown before, the bare statistics sent to the British Government are of limited value to traders and without explanation are misleading. What is necessary is more practical and exact regular commercial news in regard to such matters as price, demand, freight, and fashion, and this can only be obtained by the establishment of a business agency.

"It has before been stated that very few British manufacturers have special agents in Victoria, and therefore it will be easily understood that only a limited number appeal directly to the public by advertisement. The local importers of British goods—no doubt partly at the expense of manufacturers—advertise their stock to a considerable extent, and in this way they are placed before the public, but only those

goods which are already for sale in the market and out of the hands of the makers are advertised in this way. Many importers in Victoria are of opinion that there are large quantities of goods made in Great Britain which would be saleable if they were known, and that sufficient effort is not made to display them. This opinion seems to be justified by the results obtained by the few British makers who have established special agents in Victoria and have advertised largely. Some British manufacturers of soap, plated ware, and a few other articles have succeeded by advertising in securing the market for their wares, and these few have done much to conserve to Great Britain the trade in their products. It is the energy of a British firm which has to a great extent stopped the importation of American and other plated ware, and foreign toilet soaps would undoubtedly have obtained a secure footing but for the efforts of a British manufacturer. There are some articles, such as patent medicines, which owe their sale almost entirely to advertising, and in these the British have a very large portion of the trade owing to their extensive expenditure in bringing their goods before the public. In these and some other goods merit is quite a secondary consideration in securing trade.

"Foreign goods are much more largely advertised by the manufacturers than by local dealers, and this description of advertising is undoubtedly the best for trade. An appeal to the public to buy a certain make of articles generally results in retail dealers being compelled to keep that make in stock, whereas an advertisement by a retailer that he has such goods for sale is far less wide-reaching. Foreign manufacturers undoubtedly advertise more largely in their own interest than do the British.

"Some differences in the methods of advertising deserve attention. The British send to the trade catalogues, periodical price lists, and publications, whilst both the Americans and the Germans go beyond this by sending slips containing descriptions of every novelty and new pattern. A novelty produced in Great Britain is scarcely known in Victoria until it is superseded by another. Foreigners also advertise by sending trial consignments of new goods, a course which the British seldom adopt.

"United States catalogues are very superior to British. The illustrations of articles are better, and the letterpress and general appearance are beyond comparison. As an example, it may be said that a collection of catalogues of bicycles was examined, the United States ones were

much the best, the German the second best, and the British the worst. Some catalogues of British manufacturers printed in France were fairly good, but those printed in Great Britain were in bad taste as to the covers and general style, and were comparatively badly illustrated. This defect is believed to have an adverse effect on the sale of goods, especially when models are absent. The obverse side of this should also be shown. It is a frequent cause of complaint that United States and Continental goods are not equal to the illustrations and descriptions, whilst the British catalogues are held to be more faithful representations of the articles offered for sale.

"The American, and in some instances the Continental, catalogues give much more information than the British, not only in regard to the goods, but also in respect to other matters which are of importance to foreign buyers. These catalogues state the price at an available shipping port, the size of the packages in which the goods are packed, the weight of the packed articles, and such other information as is necessary. An intending buyer with these particulars before him can calculate with some precision the cost at which the goods can be landed in Victoria, whilst without them he may hesitate to give an order.

"In this connection it may be mentioned that the Germans use the Reuter code for telegraphing. This is said to be shorter, and, consequently, less costly than the British codes."

In order to show a concrete instance of successful foreign competition in the Colonies, I analyse in some detail the imports into British India. The value of her importation of "Private and Government" merchandise is, in the statistics of the India Office, put at £55,703,000 in 1885, at £69,197,000 in 1890, and at £73,516,000 in 1895—that is, excluding bullion and specie altogether. It should be noted that, in the following tables, given in tens of thousands of rupees, that sum is more or less equivalent at par to thousands of pounds sterling (really £666), so that the figures quoted may be looked upon roughly as stated in £1000, of which approximate estimate I make use of in the following pages for relative values, as a convenient unit for comparison. The real exchange is, of course, about 1s. 4d. to the rupee, or one-third less than the original value. So that the unit of £1000 is one-third too much, and is more or less equivalent to units of £666.

The foreign import trade of India from the five chief European manufacturing countries and the United States is now tabulated.

No. 42. IMPORTS OF MERCHANDISE INTO BRITISH INDIA, 1885-95, IN
TENS OF THOUSANDS OF RUPEES=ABOUT £1000 (REALLY £666).

YEARS.	TOTAL IMPORTS.	ENGLAND.	GERMANY.	FRANCE.	BELGIUM.	AUSTRIA.	UNITED STATES.
	R.	R.	R.	R.	R.	R.	R.
1885-6	51,811	41,658	120	624	266	451	833
1894-5	73,528	51,105	1,731	860	1,866	1,194	1,106
+ or - '95 v. '85 . . .	+ 21,717	+ 9,447	+ 1,611	+ 236	+ 1,600	+ 743	+ 273
+ or - % "	+ 41	+ 22	+ 1,342	+ 38	+ 602	+ 162	+ 33
% of whole imports '85-6	—	75	0½	1½	0½	0½	1½
" " '94-5	—	70	2½	1½	2½	0½	1½

The striking point here is that, though British importation has increased from 1885 to 1895 by some £9,500,000 (9,500 tens of thousands of rupees), our percentage of the whole has fallen from 75% to 70%, while that of Germany has advanced from 1½% to over 2%, and that of Belgium from ½% to 2½% in that period. France, Austria, and the United States also show slight increases. The absolute development of German trade is from £120,000 in the former year to £1,611,000 in the latter; while that of Belgium is from £266,000 to £1,866,000; and Austria advanced from £451,000 to £1,194,000. Such rapid development, though insignificant perhaps in the eyes of some people, seems to me to be serious, as it conclusively shows that our produce, even in India, is being displaced by that of foreign countries, and to an extent which, in the present days of severe competition, we cannot any longer afford to ignore or neglect. Here, as elsewhere, the thin end of the wedge of foreign competition has been firmly introduced, and will, no doubt, penetrate more deeply into our commerce as time goes on.

It would be most satisfactory to have an analysis, similar to these few tables for British India which I have put together, for all our Colonies, so that the public could see at a glance in what portions of trade foreign competition is encroaching most on ours in all parts of the Colonial world. One would also like to know what foreign countries are succeeding best in this direction. Perhaps this is a task that our Colonial Office would now undertake in the interests of British commerce.

No. 43. COMPARISON OF IMPORTS INTO INDIA OF GERMANY, BELGIUM,
AND ENGLAND, IN TENS OF THOUSANDS OF RUPEES.*

ARTICLE.	GREAT BRITAIN.			GERMANY.			BELGIUM.		
	1885.	1895.	'95 v. '85.	1885.	1895.	'95 v. '85.	1885.	1895.	'95 v. '85.
	R.	R.	R.	R.	R.	R.	R.	R.	R.
Apparel	764	820	+ 56	†(226)	60	+ 60	2	12	+ 10
Chemicals	156	361	+ 205	(76)	21	+ 21	nil	7	+ 7
<i>Cotton Manufactures—</i>									
Cotton twist, yarn	3,114	2,466	— 348	(153)	8	+ 8	(918)	13	+ 12
Piece goods grey (unbleached)	11,869	16,011	+4,142	0	0	0	0	0	0
" " white (bleached).	3,476	6,624	+3,148	0	4	+ 4	0	0	0
" " coloured, printed,									
dyed	5,033	6,169	+1,136	7	11	+ 4	1	19	+ 18
" " handkerchief and									
shawls in the									
piece	210	169	— 41	1	13	+ 12	(610)	(25)	— (585)
" " other sorts	16	nil	— 16	0	0	0	(877)	6	+ 6
Hosiery, pure and mixed . . .	62	49	— 13	(439)	14	+ 14	nil	(510)	+ (510)
Thread, sewing	110	151	+ 41	0	2	+ 2	(930)	1(470)	+ (460)
<i>Glass—</i>									
Sheet and plate	32	15	— 17	(840)	1	+ 1	16	39	+ 23
Beads and false pearls	30	4	— 24	0	11	+ 11	1	2	+ 1
Bottles, common	18	27	+ 9	0	0	0	} 28	62	+ 34
Other ware	187	128	— 49	2	50	+ 48		48	+ 28
Hardware and cutlery	724	1,045	+ 321	2	96	+ 94	20	9	+ 7
Machinery and millwork . . .	975	2,510	+1,535	(372)	5	+ 5	2		
<i>Metals—</i>									
Brass	34	34	same	0	1	+ 1	0	1	+ 1
Copper	1,750	1,205	— 545	0	12	+ 12	1	21	+ 20
Iron	1,855	1,528	— 327	3	51	+ 48	70	638	+ 568
Steel	160	282	+ 122	1	46	+ 45	12	252	+ 240
Zinc or Spelter	130	87	— 43	(147)	29	+ 29	4	5	+ 1
Unenumerated	40	19	— 21	(129)	3	+ 3	(59)	8	+ 8
Silk manufactures	446	308	— 138	1	28	+ 27	2	37	+ 35
<i>Woollen manufactures—</i>									
Piece goods	1,032	684	— 348	49	261	+ 212	3	14	+ 11
Shawls	114	127	+ 13	(522)	62	+ 62	(49)	(8)	— (41)
Other sorts	132	125	— 7	1	16	+ 15	2	(560)	—1(440)

† Figures in brackets under 1 ten thousand rupees.

Out of the above 25 categories Great Britain shows a decrease in the eleven years in 14 of them, 11 only showing any increase. This is a rather remarkable fact when it is seen that in the next column of Germany's imports there is not one minus sign, but everywhere a rapidly growing trade of large dimensions for so distant a country. The increase in the trade of Belgium is also a marked one. The reader will observe that, for every minus sign in England's column, we find a plus sign in that of Germany—rather a significant indication of the currents of trade.

Our imports into India have fallen off mostly in cottons, owing

* About £1000 roughly.

chiefly to local manufacture and slightly to German importations. The heaviest loss is one of £348,000 in cotton yarn. In glass there is a total drop of £64,000, of which Germany has annexed over £59,000. Our hardware increased by £321,000 merely, or 44%; but that of Germany improved by £94,000, from £2,000 to £96,000. Our share of the whole trade is, however, still over 80%. In iron we imported £327,000 less in 1895 than in 1885; on the other hand, German iron increased from £3,000 to £51,000, and Belgium from £70,000 to £638,000 in that same period. In steel our advance was from £160,000 to £282,000, Germany's from £1,000 to £46,000, and Belgium's from £12,000 to £252,000. In copper we lost £545,000 worth in the 11 years, whereas Belgium gained £20,000, and Germany £12,000. In silk manufactures our imports fell from £446,000 to £308,000; but those of Germany rose from £1,000 to £28,000, and those of Belgium from £2,000 to £37,000. In woollen manufactures our nett loss was £354,000—a wonderful contrast to Germany's gain of £289,000, or a rise from £50,000 in 1885, to £339,000 in 1895. These are some of the glaring instances of the damage done to us in India by foreign competition; other details will stand revealed by a closer examination of my table above.

The total imports of iron have fallen in this 11-year period from 3,493,000 cwts. to 3,250,000, due to two causes—local manufacture and the greater use of steel, the importation of which has largely developed, from 278,000 cwts. in 1885–86 to 905,000 in 1894–95.

The competition of Germany and Belgium in iron and steel is now shown in 1000 cwts.

No. 44. IMPORTS OF IRON AND STEEL INTO INDIA IN 1000 CWTs.

YEARS.	GREAT BRITAIN.		BELGIUM.		GERMANY.	
	Iron.	Steel.	Iron.	Steel.	Iron.	Steel.
	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1885-6	3,332	225	152	20	4	1
1890-1	3,306	462	536	164	13	76
1894-5	1,956	369	1,176	448	75	84
+ or - '95 r. '85	- 1,376	+ 114	+ 1,024	+ 428	+ 71	+ 83
+ or - % "	- 41	+ 45	+ 673	+ 2,140	+ 1,775	+ 8,300

The absolute gain of Germany and Belgium in iron is 1,095 cwts.

versus our loss of 1376. Their advance in steel is 511 cwts. as compared with our 114 only. Belgium's increase in steel alone is about four times as large as ours.

Commercial experts in India state that the real factors operating to divert portions of our trade are—the excellence of German goods of certain kinds, their cheapness compared with ours, the greater adaptability of their methods of trade to local requirements, and the greater energy displayed by them in pushing trade by means of their agents and travellers, who grant such easy terms of payment and take the very smallest orders. It is by such means as these that the Continental countries are increasing their trade in India.

CHAPTER VI.

PART I.

OUR TEXTILE INDUSTRIES.

THE subject of textiles is one of the most interesting with which we have to deal in these pages. Great Britain has, amongst all her gigantic industries, no more important branch than this one, so renowned all the world over. In 1870 there existed in the United Kingdom 6,807 textile factories with 41,085,069 spinning spindles, 4,468,042 doubling ones, and 610,004 power looms. In 1890 there were 7,190 factories, with 48,409,733 spinning spindles, 5,231,329 doubling ones, and 822,489 power looms. In 1870 this industry employed 907,230 hands, which by 1890 had increased to 1,084,631 persons. These figures give an idea of its immense importance to us as a manufacturing nation. Any cause that impairs its vitality cannot be lightly overlooked, as it strikes at one of our fundamental sources of national wealth. There is no doubt that in late years it has experienced a severe shock, under the effects of which it still labours. This once all-flourishing industry is suffering now from a concatenation of circumstances far too long to enumerate here. But foremost amongst them all may be mentioned that all-invading foreign competition. Many new competitors have sprung up abroad on all sides—the United States, Germany, Belgium, Austria, Italy, India, and even Japan lead the van, and reduce our markets for textile fabrics, not only within their own territories, but also elsewhere in the world.

The contraction and expansion of the principal textile industries * in the years 1865 to 1869 and 1890 to 1894 are here clearly demonstrated. The results are particularly startling as regards exportation.

* The following tables of quinquennial periods on textiles generally, and on cottons in Part 2, are compiled from the Board of Trades' "Comparative Statistics of British Trade and Production, 1854-95."

NO. 45. INCREASE OR DECREASE OF YEARLY AVERAGE EXPORTATION
FROM QUINQUENNIAL PERIOD 1865-9 TO THAT OF 1890-4.

TEXTILES. Yearly averages of—	QUANTITIES EXPORTED.		VALUES EXPORTED	
	Amount in million yards.	Per cent.	Amount in million £.	Per cent.
Linen piece goods, plain	— 62·68	— 29·7	— 3·52	— 51·7
Woollen and worsted stuffs	— 36·40	— 16·0	— 6·26	— 46·7
Cotton piece goods, plain	+ 1641·00	+ 92·8	— 0·55	— 1·7
" " printed, dyed, etc.	+ 691·00	+ 79·1	+ 0·29	+ 1·5
Cotton yarn. (<i>In million lbs.</i>)	+ (lbs.) 84·98	+ 56·3	— 3·23	— 23·9

We learn with astonishment that in a period of 30 years (25 only for woollens and worsteds) the loss in value of the average yearly exports of linen piece goods (plain), woollen and worsted stuffs, cotton piece goods (plain), and cotton yarn is over £13,500,000. In the years 1865 to 1869 our yearly average exportation was £65,210,000 as against £51,650,000 in 1890 to 1894. Moreover, in cotton piece goods, printed and dyed, the gain is only about £290,000. No doubt, fall in prices is largely responsible. But on turning to quantities, we note that, while the increase of cotton piece goods in the 30 years was 2,332 million yards, the decrease in linens, woollen and worsted stuffs amounted to over 99 millions, a diminution of 29% in the former, and of 16% in the latter. And does an improvement of 92% in plain and of 79% in printed and dyed cotton piece goods represent an adequate progress for 30 years in this branch of industry? The answer emphatically is—it does not by any manner of means. In linens the increases in quantities in 1855 to 1859 and 1860 to 1864 respectively have been 18% and 22%. In the same periods the gain for woollen and worsted stuffs had been 17% and 18%.

The chief textile industries are now considered in relation to the special period of this book, 1885 to 1895, or rather, in the following table, to 1894, in order to give quinquennial periods. It will be noticed that in every case there is a fall in value of average price per yard from the first period, 1885 to 1889, to the second, 1890 to 1894. The greatest fall *

* For woollens and worsteds 1865 to 1869 and 1885 to 1889 only. Prior to 1884 a large quantity of mixed stuffs, that were entered under cotton manufactures, were in that and subsequent years entered under woollen manufactures. Had this change not been made, the decrease for the period 1885 to 1889 would have been larger than above stated.

is in cotton yarn, linens, woollen and worsted goods. In the case of the latter it is impossible to continue the comparison beyond 1885 to 1889, in consequence of extensive alterations having been made in 1890 in the official classification of the exports of this article. It has, therefore, been necessary to compare earlier periods in this case. So far as can be judged, however, the exportation of worsted stuffs considerably declined in the period 1890 to 1894.*

NO. 46. INCREASE OR DECREASE OF AVERAGE YEARLY EXPORTATION
OF TEXTILES FROM QUINQUENNIAL PERIOD 1885-9 TO THAT
OF 1890-4.

CLASS OF EXPORT.	Yearly Average of—	QUANTITIES EXPORTED.			VALUES EXPORTED.			Average price per yard, in pence.
		Amount in million yards.	+ or — on previous period.		Amount in million £.	+ or — previous period.		
			Million yards.	Per cent.		Million £.	Per cent.	
Linen piece goods, { plain {	1885-9 1890-4	153·83 148·20	— 2·90 — 5·63	— 1·9 — 3·7	3·77 3·29	— 0·79 — 0·48	— 17·3 — 12·7	5·89 5·33
Cotton piece goods, { plain {	1885-9 1890-4	3,439·00 3,410·00	+317·00 — 29·00	+10·2 — 0·8	32·43 30·91	— 1·85 — 1·52	— 5·4 — 4·7	2·26 2·18
Cotton piece goods, { printed, dyed, etc. {	1885-9 1890-4	1,395·00 1,565·00	+ 24·00 +170·00	+ 1·8 +12·2	18·39 19·66	— 2·66 + 1·27	— 12·6 + 6·9	3·17 3·02
Cotton yarn. (<i>In lbs.</i>) { {	1885-9 1890-4	251·89 235·89	+ 3·01 — 16·00	+ 1·2 — 6·4	11·62 10·31	— 1·43 — 1·31	— 11·0 — 11·3	11·07 10·49
Woollen and worsted { stuffs {	1880-4 1885-9	193·44 190·65	— 16·02 — 2·79	— 7·7 — 1·4	7·64 7·14	— 0·84 — 0·50	— 9·9 — 6·5	9·48 8·99

The loss in average yearly value of all the above exports (except cotton piece goods, dyed, printed, etc., which show an increase of £1,270,000) from the quinquennial period 1885 to 1889 to that of 1890 to 1894 has been £3,810,000. In the former years our annual average exportation of all the tabulated textile fabrics (with the one exception mentioned below) had been £55,460,000 as against £51,650,000 in the latter years. Cotton piece goods, printed and dyed, on the contrary, had shown an increase of £1,270,000. Turning to quantities, there are considerable decreases in the number of yards exported for all—except, again, the last-quoted article. The years 1870 to 1874 were the best for the export of cotton yarn, piece goods (plain), and woollen and worsted stuffs, with an average of £13,540,000, £34,220,000, and £15,760,000 respectively.

* Is a note in Board of Trades' tables on woollen and worsted stuffs.

Before leaving general textiles for particular ones, I would mention that, for 1890 to 1894, the yearly average imports of woollen cloths and stuffs from abroad are almost equal in value to our present yearly average exports of this same class of article, viz. £6,460,000 imported *versus* £7,140,000 exported. Particular notice should be given to the fact that the former is increasing, whereas the latter is diminishing, if the following table be compared with the foregoing one. Here, again, is a most important instance of foreign competition.

NO. 47. INCREASE OR DECREASE OF YEARLY AVERAGE IMPORTATION
OF WOOLLEN CLOTHS AND STUFFS, FROM QUINQUENNIAL
PERIOD 1885-9 TO THAT OF 1890-4.

IMPORTS FROM ABROAD.	Average of	QUANTITIES IMPORTED.			VALUES IMPORTED.			Average price per yard
		Amount in million yards.	+ or - on previous period.		Amount in million £.	+ or - on previous period.		
			Million yards.	Per cent.		Million £.	Per cent.	
Woollen cloths and stuffs.	*1882-4	38.95	* —	* —	3.81	+ 1.88	+ 97.4	<i>s. d.</i> 1 11½
	1885-9	64.76	+ 25.81	+ 66.3	5.94	+ 2.13	+ 55.9	1 10
	1890-4	75.59	+ 10.83	+ 16.7	6.46	+ 0.52	+ 8.8	1 8½

* Comparison of quantity not possible.

It would be worth tracing back to earlier years such a rapid development of the fatal influence of foreign competition; but, unfortunately, one cannot make comparisons by quantity further than 1882, as after 1881 the Custom House entries are by yards, whereas, before that date, they were by pieces. But, taking the yearly average value of these imports of foreign manufacture, in the periods 1865 to 1869, and 1890 to 1894, we find an increase of £5,250,000—equivalent to an expansion of 433%. In the former period the average value imported was £1,210,000 as against £6,460,000 in the latter.

According to an 1894 report of the United States Consul at Cologne the following is the percentage share which the different European countries take in the exports of textile fabrics. England leads with 52%, France follows with 17¾%, and Germany comes third with 17⅓%. With respect to cotton yarns, Great Britain stands first with 84⅓%, while the share of Germany is only 7%. In woollen yarns, England has 48¾%, and Belgium 21½%, followed by the German Empire with 17½%.

With woollen goods, the condition for the latter is more favourable, being 24½% against 40% for us and 29½% for France. In linen yarns, the conditions are unfavourable for Germany, her share amounting to only 3% of the total exports against 28% for the United Kingdom, 43% for Belgium, and 14% for Austria. In linen and jute goods, England takes the lead with 61% and 87% respectively, while for both the share of the German Empire is 14%. In silk goods, the latter follows France with 28½%, or 11½% less than her proportion.

The subject of cottons is examined in detail in the second part of this chapter, a few notes only on the woollen industry abroad being added here.

In Germany, of all the flourishing industries, none is so successful as the worsted trade, not only for home consumption, but also for exportation, especially to the United States. The exports of woollen goods thence were as follows: for cloths and stuffs (printed) £230,000 in 1886, and £305,000 in 1895; and for the same (not printed) the figures are £7,580,000 and £7,535,000 respectively. For combed wools the increase was from £315,000 to £935,000. Austrian textiles are also largely increasing.

It may be noted that the Germans themselves are now experiencing—in some countries and especially in the Spanish Colonies—competition in pure woollens and in mixed goods of wool and cotton, from the woollen manufacturers of the Eastern Coast of Spain. These products, protected by the heavy duties on the similar foreign article, have largely developed. It is chiefly the 20% *ad valorem* duty on the imported article that enables the Spanish manufacturers of this class of merchandise to supply almost the whole home consumption of Spain. But considerable quantities also go to India and South American Republics, as well as to Spanish Colonies; and there they compete successfully with German wares on neutral ground, owing to their being more reliable than the former in quality, and better for the price. About 883 tons (883,000 kilos) of such goods were exported to the Colonies of Spain in 1895. Some 60 tons went to France, and 9 to Great Britain.

In Italy a great effort has been made to develop this branch of industry, with the result that she now exports some yarns. From 1876 to 1894 the number of spindles had increased 13%, to 345,000, and the machine looms 150%, to 6507.

In India there were five woollen mills at the end of 1894 with 17,228 spindles and 529 looms. They turn out chiefly blankets and rough clothing.

In France, on the contrary, the woollen industry seems to be in rather a critical condition; and, in 1894, many mills were sold at one-tenth and less of the cost of erection. The Franco-German war caused a considerable transfer of orders for woollens from France to Germany, and gave the latter country a great impetus in that product. From 1872 to 1890, however, the development was great; and the estimated yearly value of yarns and woollen tissues manufactured was £40,000,000, of which one half was exported. From 1892 to 1894 the exportation of broadcloths, kerseymeres, diagonals, and milled goods of pure or mixed wool declined from £6,180,000 to £4,621,000. In the former year two-thirds went to England, in the latter two-fifths only, or £2,000,000.

Mr. G. Michel, in considering the condition of the woollen industry in France, in 1894, explains the decline thus. Both Germany and England, during the Franco-German war, learned to make the particular tissues which France manufactured exclusively before 1870. There has, since then, also been a greater demand for cheaper tissues, which are less remunerative. But the fundamental cause is restriction of outlets abroad, due to the new foreign tariffs of the consuming countries. He concludes in these words: "We find ourselves face to face with a constant production, but kept up by means of sacrifices which cannot be maintained for ever, and this production has only for its outlet an encumbered home-market, and a foreign one which is closed to us, either through the action of the customs *régime*, or because rival industries are established abroad, or by reason of the commercial depression which is universally experienced in all consuming countries. The McKinley Bill has closed North America; England is limiting her demands; Germany and Russia have created important establishments; Switzerland, using the right of reprisals, declines to receive French products; South America makes no further purchases; Italy supplies herself from Germany; and the high rate of exchange paralyses business with Spain and the silver-using countries."

In Japan the first woollen mill was started in 1892, and now manufactures blankets and shawls. Details of all the textile factories in that country are given in the chapter on our "Trade in Japan and China." The importation of woollens is yearly increasing, and manufacturers should observe that Germany's chief imports there are woollen cloths (not printed), to a value of £264,000 already, in 1893. In the following year, Germans imported far more woollen yarn, netted woollen articles of clothing, and flannels than we did.

In Italy it appears to be feared that our woollens are also being displaced, both on account of inferiority of design and of the fact that it is not our custom to sell "franco domicile"—that is, delivered free at any inland point, duty and carriage paid, and at prices fixed in Italian currency which are intelligible to the buyer.

In exporting woollen goods, English manufacturers should not forget that, in some places, as in Venezuela, the duties on their importation are paid *on their weight*. Those made by the French, which are sent out there, are of inferior quality, but of a more taking appearance, weigh less, and are, therefore, more profitable as the duty is smaller. They, consequently, often displace ours.

Though the superiority of our woollen manufactures may be undeniable, they do not sell as they should, because more attractive-looking foreign ones of inferior quality compete with them. And every day outward appearance, accompanied by cheapness, is getting to be much more thought of than intrinsic worth and quality.

PART II.

THE COTTON TRADE.

Our cotton trade has, during the last hundred years, been one of our chief industries and a source of great national wealth. A great impetus was given to it by the famous new inventions at the end of the last century, and by the numerous mechanical improvements applied to its manufacture in the early part of the present one. It is essentially a staple industry, and its history is, therefore, worth tracing here before discussing in detail its vicissitudes in the last eleven years.

The first cotton fabric was made in a very small way about the middle of the 17th century. At the end of the 18th, the importation of raw material was only about 44,600 cwts., but by 1810 it had reached over 1,000,000, and in 1860 some 9,000,000 cwts. The number of cotton factories in the United Kingdom in 1870 was 2,483, or more than a third of all those employed in textile industries.

In 1885 a serious strike, lasting three months, took place, after which a reduction in the wages of the mill hands was accepted. Their pay had to be reduced in consequence of the large decrease in this trade, resulting from greatly extended manufacture abroad of cotton

goods, and also partly from general depression of business. This reduction was rendered the more feasible from the fact that the price of the essential requisites of life were, ten years before, about one-third dearer than they were in 1885.

The production of cotton goods abroad has, in recent years, increased immensely, especially in the United States, Germany, and India; and thus the field for British enterprise in this particular branch of foreign trade has been considerably narrowed down from its former dimensions. The increased manufacture of Indian cottons has restricted our former opportunities in the East; and Japan seems likely, in the near future, to become our formidable rival in supplying all Eastern countries.

We now come to the details of our foreign trade in cottons in past years. The statistics for the years 1885 to 1895 are as follows: Our consumption of raw cotton per head of population is slightly on the increase, and averaged 41·7 lbs. in 1890-94, as against 41 lbs. in the period 1880 to 1885. But, in a decade of commercial development and an increasing population of the world, one should find a far larger increase per head to correspond to the greater number of the inhabitants of the universe to whom we ought to be exporting more cotton goods than we are actually supplying. From 1864 to 1874 the quinquennial average export had increased from 24·8 lbs. per head to 37·5 lbs.; with a normal and equal progress from 1874 to 1884, we ought to find an increase of 12·7 lbs., whereas we only find one of 3·5 lbs., making 41 lbs. in the latter year. And from 1884 to 1894 the advance is merely 0·7 lbs.! This but too surely indicates the decay of our cotton trade, and an alarming restriction of our foreign markets.

Taking, however, the particular years 1885 and 1895, there is an improvement of $5\frac{1}{2}$ lbs.; but, as above pointed out, it should be at least 12·7 lbs., to keep up the prosperity and progress of the years 1874 to 1884.

NO. 48. IMPORTS OF RAW COTTON.

Annual average consumption per head of population.		Year.	In million cwts.		Value of total imports in £1000.	Annual average consumption in single years.
			Total imports.	Nett imports, less exports.		
Years.	Lbs.		Cwts.	Cwts.	£	Lbs.
1880-5	41·0	1885	12·7	10·9	36,472	34
1885-9	39·6	1890	16·0	14·1	42,756	42½
1890-4	41·7	1895	15·7	13·9	30,429	39½
+ or - '95 v. '85.	+ 0·7	—	+ 3·0	+ 3·0	- 6,043	+ 5½

Here we find in the 11 years an increased nett importation of merely 3 million cwts., but representing a decreased value of over £6,000,000. If in 1885 and 1895 we look up the countries whence raw cotton comes, we see, as might be expected, that our imports *via* Germany and Belgium have enormously diminished, as they are now retained there for local manufacture. From India we only received, in 1895, 460,000 cwts. *versus* 2,430,000 in 1885; but our supplies from the United States, in the same period, rose from 9,379,875 cwts. to a total of 12,453,542 in 1895.

No. 49. TRADE IN COTTON YARN.

YEARS.	IMPORTS.		EXPORTS.	
	In 1000 lbs.	Value in £1000.	In 1000 lbs.	Value in £1000.
	Lbs.	£	Lbs.	£
1885	8,362	492	245,809	11,865
1890	8,302	446	258,290	12,341
1895	7,124	379	261,989	9,291
+ or - '95 v. '85	- 938	- 113	+ 6,180	- 2,574

We are importing less cotton yarn than formerly, and this chiefly from Germany. Our exports show an increase in quantity of 6,180,000 lbs. in 11 years, but of a loss of £2,574,000 in value.

It is, however, in manufactured piece goods that our chief interest centres; and the following table illustrates their movement.

No. 50. TRADE IN MANUFACTURED COTTONS—PIECE GOODS.

YEARS.	IMPORTS.		EXPORTS.	
	In 1000 yards.	In £1000.	In 1000 yards.	In £1000.
	Yards.	£	Yards.	£
1885	44,700	721	4,374,516	48,276
1890	38,459	676	5,124,966	54,159
1895	47,311	833	5,032,562	46,759
+ or - '95 v. '85	+ 2,611	+ 112	+ 658,046	- 1,517

Here our imports have augmented by 2,611,000 yards, *versus* an improved export of 658,046,000, which latter, however, shows a value £1,517,000 less than in 1885.

No. 51. TRADE IN COTTONS OF ALL KINDS—VALUES.

YEARS.	PIECE GOODS.		OTHER KINDS OF COTTONS.		TOTAL VALUES.	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
	Value in £1000.	Value in £1000.	Value in £1000.	Value in £1000.	Value in £1000.	Value in £1000.
	£	£	£	£	£	£
1885	721	48,276	1,257	6,834	1,979	55,111
1890	676	54,159	1,679	7,933	2,356	62,089
1895	833	46,759	2,147	7,694	2,980	54,455
+ or - '95 v. '85	+ £112	- 1,517	+ 890	+ 860	+ 1,001	- 656

The total values of cottons imported and exported are compared above, showing an increase of £1,001,000 for the former, and a loss of £656,000 for the latter.

Before leaving the subject of cottons, I wish to call attention to the following remarkable facts set forth in the accompanying table.

No. 52. DISTRIBUTION, IN THE WORLD, OF BRITISH COTTON MANUFACTURES.

EXPORTS.	PIECE GOODS.				YARNS.			
	In million yards.		Percentage of exports.		In million lbs.		Percentage of exports.	
	To Europe.	To British E. Indies.	To Europe.	To E. Indies.	To Europe.	To British E. Indies.	To Europe.	To E. Indies.
Years.	Yards.	Yards.	Per cent.	Per cent.	Lbs.	Lbs.	Per cent.	Per cent.
1885	397	1,796	9·1	41·1	135·1	44·5	55·0	18·1
1890	348	2,189	6·8	42·7	123·7	52·5	47·9	20·3
1895	274	1,840	5·5	36·5	127·4	44·4	50·5	17·6
+ or - '95 v. '85	- 123	+ 44	- 3·6	- 4·6	- 7·7	- 0·1	- 4·5	- 0·5

It will be seen here that, comparing 1885 with 1895, we have in the latter year exported **123** million yards and **7·7** million lbs. *less* of cotton piece goods and yarn respectively to Europe than in the former—equivalent to a decrease of 3·6% in piece goods and of 4·5% in yarn! To the British East Indies also, one of our best markets, there is in this same period a slight decrease in yarns, and an increase of only **44** million yards of piece goods. There is also a large diminution since 1890 in both.

Some recent statistics bearing on the exportation of the two above-

mentioned classes from some European countries, the United States, and Great Britain to the East Indies, China, Japan, Africa, and Egypt have been drawn up by the Board of Trade on the 7 years previous to 1895. The results briefly are these, as summed up by the *Board of Trade Journal* of August, 1896, from which I now quote.

"Taking first into consideration the tables relating to the export trade of the United Kingdom in the above articles, it appears that the most important customer of British cotton yarn and piece goods in Africa and the East has always been British India, the amount of yarn imported from the United Kingdom in 1895 having been 41,070,600 lbs., of a value of £1,627,360, as against the rather smaller amount in 1894 of 39,996,600 lbs. which, however, was valued at £1,643,254. This decline in the value of yarn did not commence last year, the amount for the two preceding years being in each case smaller, but the value higher than in 1895. In 1889 the figures were 45,354,300 lbs. of a value of £2,250,292, so that in the last seven years the export trade of British cotton yarn to British India has not only decreased in amount by over 4½ million lbs., but the value of the article itself has declined also. With regard to cotton piece goods, the quantity exported to British India in 1895 was 1,718,224,000 yards of a value of £12,608,045, as against 2,276,227,700 yards valued at £17,994,094 in 1894, and 2,001,153,400 yards of a value of £17,399,475 in 1889.

"Of the countries under consideration Japan is the next most important buyer of cotton yarn from the United Kingdom, the value of this article imported into Japan in 1895 having been £858,516 as against £662,846 in 1894; in 1893 the value was £811,350, and in 1892, £839,474. The diminution in value is not noticeable in this case, the 21,266,000 lbs. imported in 1895 having been valued at a higher figure than the 23,384,900 lbs. received in 1892. With regard, however, to cotton piece goods, Japan stands lower down the list, the value of the exports to China in 1895 having reached the large amount of £3,684,323, those to Egypt having been valued at £1,437,386, and to Java £1,253,131, while Japan in the same year received but £909,868 worth of the same description of goods. The remaining principal customers in Africa and the East for British cotton yarns in 1895 were Hong Kong, Egypt, Straits Settlements, and China, and for cotton piece goods Hong Kong, West Africa, Cape Colony, Morocco, Tunis, and the Philippine Islands (including Ladrões), in the order of their importance.

"The German export trade in cotton yarns and piece goods with the countries under review is still insignificant; the value of yarns exported to British India (which in the German trade accounts is made to include French and Portuguese Possessions) in 1894 (the latest year for which the returns are available) having been 223,000 marks (£11,100), and in many cases (notably Japan) the value has not reached 1,000 marks (£50). In piece goods (cotton cloths) the value of the German exports to British India (including, as in the case of the yarns, French, and Portuguese Possessions) in 1894 reached 704,000 marks (£35,200), and to Cape Colony (including other British Possessions of South Africa) 572,000 marks (£28,600). The values of German exports to other countries in the list hardly call for comment, except, perhaps, may be noticed the commencement of a trade with Japan, the exports to which country (*nil* in 1888 and 1889) were valued at 58,000 marks (£2,900) in 1894.

"Belgium does but little trade in cotton yarns and piece goods with the countries under notice. In 1894 exports of Belgian yarns to the Dutch East Indies were valued at 72,000 frs. (£2,880), and to British India at 38,000 frs. (£1,520); in this latter case a striking decrease is seen as compared with 1888, in which year the figure was 174,000 frs. (£6,960). Belgium sent cotton tissues to the value of 1,380,000 frs. (£55,200) to the Congo Free State in 1894; this is also a decline on previous years, the amount in 1893 having been 1,888,000 frs. (£75,520), and in 1892, 3,219,000 frs. (£128,760), though in 1888 the figure was only 182,000 frs. (£7,280). The exports of cotton tissues from Belgium to British India in 1894 were valued at 185,000 frs. (£7,400) as compared with 234,000 frs. (£9,360) in 1893.

"With regard to the French trade with Africa and the East, exports of yarn are entirely confined to French colonies, viz. Tunis, Algeria, Senegal, and other West African French Possessions, and Réunion, but French exports of cotton tissues (including, however, lace and ribbons) take a wider range, the principal customers still being the colonies. In the year 1894 cotton tissues of the value of 28,751,892 frs. (£1,150,076) were exported from the mother country to Algeria; to the value of 2,929,182 frs. (£117,167) to French Indo-China; 1,994,981 frs. (£79,799) to Réunion; and 1,396,791 frs. (£55,872) to Egypt. British Possessions in India received French tissues to the value of 209,977 frs. (£8,399), and British Possessions in Africa to the value of 569,517 frs. (£22,781). The French trade in cotton tissues has exhibited no marked fluctuations during the last seven years.

"Switzerland, in 1894, sent cotton yarns to the value of 1,238,170 frs. (£49,527) to British India, and this has been a steadily growing trade, for in 1888 the value was only 658,744 frs. (£26,350). In cotton tissues, the exports of Switzerland to British India in 1894 were valued at 4,072,396 frs. (£162,896) as against 4,522,764 frs. (£180,911) in 1893, and 6,622,563 frs. (£264,903) in 1888. Swiss tissues were exported also in 1894 to Eastern Asia (China, Japan, etc.), to the value of 2,199,965 frs. (£87,999), and to the Dutch East Indies to the value of 1,891,240 frs. (£75,650).

"Italy's trade in cotton yarns and tissues with the countries under notice is unimportant, the principal ones importing her goods being Egypt and Tunis and Tripoli. In 1894, however, Italian cotton piece goods to the value of 100,000 lire (£4,000) were exported to British India, as against 71,000 lire (£2,840) in 1893, and only 14,000 lire (£560) in 1888.

"Finally, the United States, in 1895, exported cotton cloths of the value of 1,703,023 dols. (£354,796) to China, and 282,278 dols. (£58,808) to the British East Indies. The Chinese trade with the States has declined in the last few years:—In 1891 the value of the cotton cloths exported to China from the United States was 5,334,860 dols. (£1,111,429), and in 1892 it was 3,887,732 dols. (£809,944), which amount decreased to 1,638,657 dols. (£341,387) in 1893, rising again to 2,846,220 dols. (£592,962) in 1894, and falling, as pointed out above, to 1,703,023 dols. in 1895."

Abroad there are some interesting facts to which attention should be paid. Cotton mills are being started in countries where they never existed before. Many foreign nations have now large numbers, where ten or twenty years ago there were but few. This must seriously affect our cotton trade. It has been estimated that the distribution of cotton spindles in Europe was as follows, early in 1895:—46,500,000 in England, 5,600,000 in Russia, 5,000,000 in France, 4,000,000 in Austria, 3,538,600 in British India, 1,400,000 in Alsace-Lorraine, 1,344,250 in Prussia, 1,336,418 in Italy, 1,331,427 in Saxony, 1,250,000 in Belgium, 1,200,000 in Switzerland, 1,165,636 in Bavaria, 435,885 in Wurtemberg, 395,000 in Baden.

It appears that the Southern States of North America have, in recent years, made most rapid advances in the direction of cotton-spinning, and that the time may not now be far distant when they will be supplying cotton yarns to European manufacturing centres. This future American

competition is the more likely to be serious from the fact that there is found in those States climatic conditions similar to the English ones, and most favourable to the production of good cotton yarn. The Continental centres have not this advantage; and the fact of finding a formidable rival in this respect in the United States will be as unwelcome as unexpected to English manufacturers. Statistics for 1894-1895 give the total number of mills there, completed and in course of erection, as 435, of which 44 were unfinished. In 1890 only 264 existed. The present number of spindles operating in the South is 3,177,300, as against 1,699,082 in 1890, and 70,874 looms as compared with 38,865 five years ago.

In Canada, in 1894, there were 20 cotton factories at work with 491,252 spindles and 12,104 looms. From 1879 to 1885, 19 new mills were opened.

In Italy there existed, in 1895, 532 mills with 1,336,418 spindles and 36,863 power looms, employing 87,690 people. In 1876 there were only 765,000 spindles. The cultivation of raw cotton has been almost abandoned; it is now being imported more and more. The quantity received for home consumption quadrupled from 1876 to 1893. The chief class of cottons exported from Italy consists of plain, coloured, and dyed goods, the quantity of which in 1894 was seven times as large as that of 1889. In the former year she exported 64,586 cwts. of the above-mentioned categories. The imports of all cotton tissues in the former year were only about one-third of that of the latter six years ago. The quality is not so good as English, but is every day improving. The same is taking place with yarns and twists. The value of the total cotton manufactures imported in 1889 was £2,302,000, and fell to £1,443,000 in 1893. The value of those exported in the same interval rose from £305,384 to £633,230.

In Portugal the manufacture of cotton goods (grey stouts) is largely increasing for local consumption and export to African Colonies. In Lisbon there are works which, it is said, are producing printed handkerchiefs equal to, if not better than English ones.

In Turkey it is prophesied that our cotton trade will soon decrease, as the local industry is yearly more flourishing; but this seems doubtful.

In Sweden textiles have developed immensely; and it is expected that she will soon produce all the cottons required for home consumption.

In Bulgaria the importation of our cotton and woollen fabrics is declining, while Germany has more than doubled hers in the period 1892 to 1894.

In British India, at the end of 1894, there were 136 cotton mills.

In the East, with the opening-up of further Chinese and Japanese trade, we have some opportunities yet of increasing our commerce. Questions of exchange have been responsible for a considerable reduction in our exports to China. The output of Chinese mills does not yet interfere much with our cotton trade, but will soon do so, as their number is rapidly increasing. As to yarn, it is believed that the Chinese factories will be able to undersell both European and Japanese competitors, as soon as the right to manufacture is finally conceded to all nations. The erection of many new mills at Shanghai is expected; and, as labour is very cheap and the raw material is close at hand, it is thought that they will seriously compete with British and Indian cottons.

The Japanese had even projected the establishment in China of cotton factories; but owing to the delay in negotiating the new Treaty of Commerce with that country, they have now abandoned that idea, and the mills are to be erected instead in Japan. Whenever circumstances become more favourable in China, there are many indications that the cotton industry will be immensely developed. Let it be noted that the Japanese are establishing a line of steamers to run from Kobé to Yokohama and Mexico, in order to obtain direct from the Southern Cotton States of America, *viâ* the Mexican railroads, the raw material they require. This line is to be worked by the Osaka Cotton-spinning Association. The exportation of Japanese piece goods to China is increasing, and is likely to develop immensely in the future. They are some 2% cheaper than American or English.

For an account of the Japanese cotton industry, see chapter ix. (p. 139), on our "Trade with Japan and China."

CHAPTER VII.

METALS AND THEIR MANUFACTURES.

THE immense importance of our metal industries is shown by the fact that the total value of iron and steel alone, and their manufactures, exported in 1890 amounted to £31,565,000 out of a total of £263,530,000 of produce of British origin. Besides the former sum, there were also £16,410,000 worth of machinery. All these trades have suffered severely in the last five years, as they did for a considerable period after 1884. Besides general bad times, the iron and steel trades in 1885 experienced a severe depression, chiefly attributable to the result of a collapse in American railway building, to the increasing work of iron industries abroad, and to the enormous reduction in English shipbuilding. This latter cause was the result of the overproduction of shipping in the previous two years. In 1883 the output on the Clyde had been 419,000 tons, *versus* 193,000 in 1885. There was a decrease in this latter year, over 1884, of 21% in the exportation of machinery, and of 10% in iron and steel, which latter result is to be partly accounted for by the progress of Germany in her own metal industries, and also by the competition of other nations. Prices, too, were very low during this year. To find figures, for the exportation of iron and steel, as low as those for 1885—£21,710,000—one has to go back as far as 1879 with £19,417,000. The highest point was touched in 1873 with a total of £31,190,000; and the lowest in the last sixteen years is 1894, with £18,688,000. Never since 1868 has it been as low as that, except once in 1878 (£18,393,000). From 1885 to 1890 exports steadily improved, to fall rapidly, however, from that year to a point in 1895 lower by £2,030,000 than that of 1885. The year 1896 has shown a considerable improvement, especially in steel for shipbuilding purposes.

The production of coal and pig iron in England is as follows since 1875:—

No. 53. PRODUCTION OF COAL AND PIG IRON.*

YEAR.	QUANTITY PRODUCED IN MILLION TONS.				ANNUAL AVERAGE OUTPUT, in million tons per head of population of five-year periods.		
	Total.		+ or - in each five years.				
	Coal.	Pig Iron.	Coal.	Pig Iron.	Years.	Coal.	Pig Iron.
	Tons.	Tons.	Tons.	Tons.		Tons.	Tons.
1875 . .	132	6·4	+ 22	+ 0·4	1870-74	3·79	0·20
1880 . .	147	7·7	+ 15	+ 1·3	1875-79	3·97	0·19
1885 . .	159	7·4	+ 12	- 0·3	1880-84	4·45	0·23
1890 . .	182	7·9	+ 23	+ 0·5	1885-89	4·51	0·21
1895 . .	190	†7·4	+ 8	- 0·5	1890-94	4·73	0·19

† 1894.

The production of coal has increased 44% in the 21 years, that of pig iron only 15½%; and in 1894 the output of the latter is exactly what it was in 1885, and, therefore, the yield per head of population has naturally decreased from 0·23 to 0·19 ton.

The profits from ironworks which were assessed under income tax at over £7,000,000 in 1874 and 1875 steadily decreased to £1,700,000 in 1880, rose again to £2,300,000 in 1885, to fall to £1,800,000 in 1894. Mines, as a whole, on the other hand, yielded nearly £2,000,000 more profits in 1894 than they did in 1874, but it was still about £2,000,000 less than in the years 1875 to 1877.

The production of all the metals, except zinc, in the following table (p. 110), has declined from 1865 to 1894.

Taking the quinquennial periods 1880-84, 1885-89, and 1890-94, we find that the annual average output of each respective period of five years has declined—in the case of fine copper, from 3394 tons to 1,499 and 605; in the case of metallic lead, from 47,872 tons to 37,648 and 30,944; in the case of white tin, from 9,115 to 9,216 and 9,078; in the case of zinc, from 12,352 tons to 9,584 and 8,848; and in that of silver (from lead), from 329,246 ozs. to 318,773 and 278,514.

* PRICES OF PIG IRON AND IRON BARS (SCOTCH) PER TON.

YEAR.	1855.	1860.	1865.	1870.	1875.	1880.	1885.	1890.	1895.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Pig iron	70 9	53 8	54 9	54 4	65 9	54 6	41 10	49 6	44 5
Iron bars, Scotch	?	7 7 6	7 15 0	7 10 0	8 15 0	7 5 0	5 2 0	7 0 0	?

No. 54. PRODUCTION OF METALS FROM BRITISH ORES, SINCE 1855.

Years.	Fine copper.	Metallic lead.	White tin.	Zinc.	Silver from lead.
	Tons.	Tons.	Tons.	Tons.	Ozs.
1855	21,294	65,529	6,000	Not stated.	561,906
1865	11,888	67,181	10,089	4,460	724,856
1875	4,593	57,485	9,614	6,713	487,358
1880	3,662	56,949	8,918	7,162	295,518
1885	2,773	37,687	9,331	9,778	320,520
1890	936	33,590	9,602	8,582	291,724
*1894	447	29,687	8,327	8,133	275,696
Highest production and year	24,294 (1856)	73,420 (1870)	10,900 (1871)	16,130 (1882)	835,542 (1868)
+ or - 1885 to 1894	- 2,326	- 8,000	- 1,004	- 1,645	- 44,824

* 1895 figures not obtainable.

We now turn to the exports of iron and coal, as illustrated in the following table, in the 1865-69 and 1890-94 periods.

No. 55. EXPORTS OF IRON AND COAL—INCREASE OR DECREASE FROM QUINQUENNIAL PERIOD 1865-9 TO THAT OF 1890-4.

Iron.	QUANTITIES EXPORTED.		VALUE EXPORTED.	
	Amount in 1,000 tons.	Per cent.	Amount in million £.	Per cent.
Pig and puddled . . .	+ 310	+ 53·9	+ 0·63	+ 37·5
Railroad of all sorts . .	+ 40	+ 6·7	- 1·60	+ 32·7
Tinned plates	+ 320	+ 400·0	+ 3·67	+ 186·3
COAL	Million tons. + 19·48	+ 197·4	+ 11·43	+ 236·6

This brings out the downhill course of exportation of railroad iron as regards value, in the last 30 years, which in the 1865-69 period was £1,600,000 more than in the years 1890 to 1894. The increase in quantity, however, from the former to the latter period has been 6·7%, or 40,000 tons. Pig and puddled iron show also a poor improvement of 53% in quantity, and of 37% in value. In both coal and tinned plates there are large increases.

No. 56. EXPORT—INCREASE OR DECREASE FROM QUINQUENNIAL PERIOD,
1885-9 TO THAT OF 1890-4.

BRITISH IRON PRODUCE.	Average of—	QUANTITIES EXPORTED.				VALUES EXPORTED.				Average price per ton.
		Amount in thousand tons.	+ or — on previous period.		Amount in million £.	+ or — on previous period.				
			Thousand tons.	Per cent.		Million £.	Per cent.			
Pig and puddled	1885-9	1078	— 463	— 30·0	2·46	— 1·80	— 42·3	£ s. d.		
	1890-4	885	— 193	— 17·9	2·31	— 0·15	— 6·1	2 5 7		
Railroad of all sorts	1885-9	915	+ 85	+ 10·2	4·44	— 1·02	— 18·7	4 17 1		
	1890-4	637	— 278	— 30·4	3·30	— 1·14	— 25·7	5 3 4		
Tinned plates	1885-9	362	+ 105	+ 40·9	5·11	+ 0·57	+ 12·6	14 2 5		
	1890-4	400	+ 38	+ 10·5	5·64	+ 0·53	+ 10·4	14 2 1		

The above comparison of the average exportation in the years 1885-89 and 1890-94 give, as before, most unsatisfactory results for the first two items. Pig, puddled, and railroad iron are losing largely in every direction, both in quantity and value, in spite of their prices having risen.

In the appendix (p. 177), Annex No. 8, will be found a complete table of quantities and values of all exported metals and their manufactures from 1865 to 1895. Summarising the values of the first table gives the following remarkable results.

No. 57. EXPORTATION OF METALS AND THEIR MANUFACTURES IN £1000.

CLASS OF GOODS.	1865.	1870.	1875.	1880.	1885.	1890.	1895.
	£	£	£	£	£	£	£
Iron and steel	15,439	24,038	25,747	23,390	21,710	21,565	19,680
Machinery	5,222	5,293	9,058	9,263	11,086	16,410	15,150
Telegraphic wire, hardware, and cutlery	3,910	6,334	5,432	4,821	3,621	4,366	2,638
Other metals	4,276	4,787	5,139	4,774	4,455	6,530	4,244
Totals	28,847	40,452	45,376	47,248	40,872	56,871	41,712
Proportion of the above to total exports of British produce .	17½	20½	20½	21½	19	23½	19½

ANALYSIS OF ABOVE TABLE.

CLASS OF GOODS.	+ or - '95 v. '65.	+ or - '95 v. '70.	+ or - '95 v. '75.	+ or - '95 v. '80.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
	£	£	£	£	£	£	£
Iron and steel . . .	+ 4,241	- 4,358	- 6,067	- 8,710	+ 9,855	- 2,030	- 11,885
Machinery	+ 9,928	+ 9,857	+ 6,092	+ 5,887	+ 5,324	+ 4,064	- 1,260
Telegraph wire, hardware, and cutlery . .	- 1,272	- 3,696	- 2,794	- 2,184	+ 745	- 983	- 1,728
Other metals	- 32	- 543	- 895	- 530	+ 2,075	- 211	- 2,286
Totals	+ 12,865	+ 1,260	- 3,664	- 5,536	+ 17,999	+ 840	- 17,159

NOTE.—For details of "Iron and steel" and "Other metals" in these years, see complete table Annex No. 8 in appendix (p. 177).

Our progress or retrogression in the last thirty-one years is here clearly shown in the annexed analysis. Our total metal exports, as listed, grew rapidly from 1865 to 1880, and, after a drop in 1885, rose still more to £58,871,000 in 1890, only to fall to £41,712,000 in 1895, or about the figures of 1870. The total rather more than doubled from 1865 to 1890, and, in the former year, was 17% of the total exportation of British products, and 23% in the latter. In 1895, however, it was merely 19% of the whole, or exactly the same percentage as in 1885, thereby indicating that we have retrograded to our standing of 1885 for these industries.

There was an advance from 1865 to 1890 in all four classes of the above table. That of the latter two was very small, namely, 12% and 52%, while that of the former two was 104% and 214% respectively. Since 1890 the total fall has been tremendous, amounting to £17,159,000; and the total nett increase in the last eleven years is only £840,000. In iron and steel, cutlery, hardware, and telegraph wire, including other metals, our 1895 exports are lower than in any of the quoted years from 1870 onwards. In the two latter categories, they are lower than in any tabulated year since 1865. Machinery, on the other hand, though it declined in value from 1890 to 1895, is still worth three times as much as the 1865 exportation.

The loss from 1885 to 1895 in iron and steel was £2,030,000, in hardware and cutlery £983,000, and in other metals £211,000, contrasted with a gain of £4,064,000 for machinery. On looking at the detailed table in the appendix, Annex No. 8 (p. 177) for this period, we see that the decrease of the first consisted chiefly in bar, angle, bolt and rod iron (from £1,620,000 to £854,000) and railroad iron of all sorts (from

£3,905,000 to £1,897,000). The value of the former in 1865 was £2,199,000, and that of the latter in the same year stood at £3,550,000. Hardware and cutlery figured for £3,761,000 in 1865, for £2,851,000 in 1885, and for £1,856,000 in 1895; so that our exportation under this head has been reduced to a half of what it was thirty-one years ago.

No. 58. EXPORTS OF MACHINERY, WROUGHT AND UNWROUGHT IRON,
IN £1000, 1885 AND 1895.

YEAR.	MACHINERY OF ALL KINDS.				IRON WROUGHT AND UNWROUGHT.			
	To all countries.	Germany.	Belgium.	France.	To all Countries.	Germany.	Belgium.	France.
1885	£11,080	£1,408	£550	£854	£21,710	£1,113	£227	£499
1895	15,150	1,602	652	1,265	19,680	801	276	472
+ or - '95 v. '85	+ 4,064	+ 194	+ 102	+ 411	- 2,030	- 312	+ 49	- 27
+ or - ½ '95 v. '85	+ 37	+ 14	+ 19	+ 48	- 9	- 72	+ 21	- 6

A comparison of the exportation of machinery and iron, as above, to France, Germany, and Belgium is instructive. Here we have, from 1885 to 1895, a gain of £4,064,000 in machinery (chiefly to France) *versus* a loss of £2,030,000 in iron (principally to Germany), but an increase of £49,000 to Belgium.

No. 59. EXPORTS OF IMPLEMENTS, TOOLS, HARDWARE AND CUTLERY
IN £1000, 1885 AND 1895.

YEAR.	IMPLEMENTS AND TOOLS.				HARDWARE AND CUTLERY.			
	To all countries.	Germany.	Belgium.	France.	To all countries.	Germany.	Belgium.	France.
1885	£876	£49	£24	£41	£2,851	£159	£100	£139
1895	1,240	54	26	42	1,856	106	74	58
+ or - '95 v. '85	+ 364	+ 5	+ 2	+ 1	- 995	- 53	- 26	- 81
+ or - ½ '95 v. '85	+ 42	+ 10	+ 8	+ 2½	- 35	- 33	- 26	- 59

Here we have a gain from 1885 to 1895 of £364,000 in implements and tools *versus* a loss of £995,000 in hardware and cutlery.

The exportation of telegraphic wire and apparatus fell from £1,434,000 in 1890 to £782,000 in 1895: the reductions were principally to Germany (from £196,000 to £21,000), to the Straits Settlement (from

£151,000 to £58,000), to India (from £71,000 to £4,000) and to the Cape (from £36,000 to £9,000).

For a comparison of the years 1885 and 1895 as regards the values of the chief classes of metals and their manufactures exported to all foreign countries and to all British Possessions, see tables, Annex No. 10, appendix (p. 196).

On examining the imports abroad of foreign countries, we discover that for machinery, iron-ware, and worked metals we have to contend with the rivalry chiefly of Germany and Belgium. Both have so successfully competed, in some instances, as to have driven out our trade in the similar article, once our own peculiar exportable commodity. In many cases we now stand low on the list of importing countries which we formerly headed. Belgium, in some places, has a practical monopoly of the iron trade (in distant parts of the world) especially in girders and often in rails. France, also, like the other two, exports much agricultural machinery and hardware,—almost invariably of an inferior quality to ours, but less expensive—the essential requisite of selling abroad. These similar foreign products are often 10% to 15% cheaper than ours, and have, as a rule, a better exterior appearance and finish which attracts the eye. The same is particularly the case with cutlery.

It would appear, from the inquiries I have made, that foreign nations obtain more and more of the orders for finished and worked-up metal goods, especially in small manufactures, while we are losing ground in those branches, but keeping our place for the heavier and rougher machinery, iron and steel products.

As regards the hardware trade, a most important and valuable inquiry was held in 1895 by the Wolverhampton Chamber of Commerce into the subject of foreign competition in this branch of metal industries. The summary of their report, as given by the 1895 December number of the *Board of Trade Journal*, I now quote as it there stands. Its general observations on the advantages enjoyed by foreign competition confirm my investigations, not only for the hardware trade, but for many others.

“The Wolverhampton Chamber of Commerce decided to restrict the inquiry mainly to the question of wages, hours of labour, and cost of carriage, and in the first instance to obtain from abroad as much information bearing upon these subjects as might be possible, and then for purposes of comparison to collect corresponding statistics from manufacturers in the United Kingdom.

"The inquiries of the committee extended into Germany, Belgium, and France, but as the result of these inquiries tended to show that there was no very serious competition on the part of France with the hardware industries, it was not thought necessary to publish statistics relating to that country. It is sufficient to say that, on the whole, and especially in the iron and steel trades, the wages paid in France appear to be much higher than either in Germany or Belgium.

"The tabular statements attached to the report indicate that, as far as the iron trade is concerned, the Belgian and German workers (*i.e.* puddlers, shinglers, rollers, and furnace men) will work for an average of 60 (in Germany) and (in Belgium) 65 hours a week, as against the average of 56 hours of an English workman.

"The average wage of an overhand iron puddler in England is 7.92*d.* per hour, in Germany, 4*d.* to 5.4*d.*, and in Belgium, 4.43*d.*

"The average pay of a forge-mill roller of the first grade is 16.34*d.* per hour in England, 7.2*d.* to 8*d.* per hour in Germany, and only 3.78*d.* per hour in Belgium; of a sheet and plate roller of the first grade, 24*d.* per hour in England, 8*d.* to 9.6*d.* per hour in Germany, and 6.64*d.* per hour in Belgium; of a merchant bar roller of the first grade, 20*d.* per hour in England, 7*d.* to 8*d.* per hour in Germany, and 5.72*d.* per hour in Belgium. Other tables published in the report, and relating to various branches of the hardware industries, show similar differences, so that the average wages paid in England are much in excess of the average paid in similar trades abroad, and the average hours worked in England are for the most part from four to six hours per week less. Assuming that a German or Belgian workman can turn out as much work in a stated time as an English workman, the foreign manufacturer has the distinct advantage of a greater production for less money, which to English manufacturers cannot fail to be of very serious importance in any competition with their Continental opponents.

"The prohibitive rates of carriage in the English Midlands in comparison with those paid in Belgium and Germany is instanced in the report as another reason for the severity of foreign competition, the average cost of carriage per 100 miles being 5*s.* 4*d.* per ton in Germany (in lots of 10 tons), 5*s.* 8*d.* per ton in Belgium, and 14*s.* 6½*d.* in England. Some considerable saving is effected abroad by means of forwarding agents, who collect goods of similar class from various manufacturers, and consign them in 10-ton lots at the minimum rate of a sliding scale, so that all who avail themselves of the services of a

forwarding agent can, by paying a moderate commission, gain the advantage of the minimum freight. The committee, therefore, are of opinion that the severity of foreign competition is due primarily to lower rates of wages, longer hours of labour, and cheaper rates of carriage.

"But they also consider that some part of it is due to the practice of foreign manufacturers producing certain leading lines in very large quantities in order to minimise the cost of production, and then exporting at reduced prices what they cannot sell at home. Under a system of protection, a German manufacturer is assured of a certain sale in his own country at remunerative prices, and can therefore afford to export any surplus stock at cost price, or possibly even at a small loss.

"Foreign competitors also derive advantage, although perhaps in a minor degree, from the decimal system of weights, measures, and currency, which is universal in all Continental manufacturing countries, and which to a foreign buyer is undeniably more intelligible, and for purposes of calculation much simpler than the complicated standard system in force in this country. In former times, when England had a practical monopoly of hardware manufacturing industries, a matter of this kind was probably of little importance, but in the present days of keen competition it is one that may easily act unfavourable towards English manufacturers, and in cases where all other things were equal it certainly would do so.

"Again, it is a matter of common knowledge among merchants and shippers that English manufacturers, speaking generally, are prejudiced far more than is supposed by the greater willingness of their foreign opponents to conform to the special requirements of foreign markets. A German, for example, will, as a rule, and within certain limits, make any article, whether as to size or construction, that may be asked for, whereas an English manufacturer will too often plead that he has not the necessary tools or appliances, and on that ground will refuse work which his foreign rival will be only too ready to accept.

"Some advantage attaches also to foreign competitors in consequence of the specially attractive manner in which, as a rule, they are in the habit of putting up their goods, and by the more general adoption of the use of cardboard boxes for that purpose, which, for obvious reasons, are more convenient than paper parcels, and on that account are

naturally preferred, and also by their practice so to regulate prices as to include the cost of packages and of delivery, not only within the limits of their own countries, but to any part of the world, the invoice value thus representing to a buyer, without further calculation, the actual cost to him of any given article as it comes into his possession.

"German manufacturers, moreover, are accustomed to invoice not only in foreign languages, but also in foreign currencies, which must often tend to the diversion of business in their favour.

"The committee also found in the course of their investigation that in respect of certain foreign and colonial markets, English manufacturers are often seriously affected by the lower rates of over-sea freights which are offered by Continental steamship owners, who, being practically exempt from the monopolies and combinations prevailing to a large extent among certain lines of steamships in England, are able to quote and accept rates with greater freedom, and with more regard to competition and circumstances than their English rivals.

"It is obvious that on all heavy articles, at least, the question of freight is one of supreme importance to the shipper, and that even if the cost of production at the shipping port were equal, a lower charge for delivery is one that may easily turn the scale in favour of the country which is able to offer this advantage.

"The committee conclude their report with a short reference to an impression which is far too prevalent, that foreign competition is applicable only to the cheaper and commoner classes of hardware. This, no doubt, was the case a few years ago, but it cannot be too strongly urged upon all who are interested that it is so no longer. With the exception of some of the higher branches of skilled labour industries in which England still holds a position of pre-eminence and superiority, a foreign workman can, and in reality does, produce just as good an article, both as construction and intrinsic merit, as an English workman. It may even be doubted whether in respect of some industries involving taste, artistic design, and adaptive skill, for which by reason of his superior technical education he is specially qualified, a foreign workman should not be classed not only as an equal, but even as something more. It is, in any case, the opinion of the committee that foreign, and more particularly German, competition in the hardware trades should be regarded as a serious and increasing force, well worthy to be opposed by the best energy, enterprise, and ability of which English manufacturers and English artisans are capable."

The production of metals abroad has increased greatly; that of pig iron, for instance, in England developed 34% from 1870 to 1895, while that of Germany and the United States was 316% and 467% respectively in the twenty-six years. It should be noted, however, that in the following table the metric tons of Germany consist of 2,204 English pounds, whereas the gross tons of the other two countries contain 2,240 lbs.

No. 60. PRODUCTION OF PIG IRON COMPARED IN 1000 TONS, 1870-95.

YEAR.	GREAT BRITAIN.	GERMANY.	UNITED STATES.
	Tons.	Tons.	Tons.
1870	5,963	1,391	1,665
1875	6,365	2,029	2,023
1880	7,749	2,729	3,835
1885	7,415	3,687	4,044
1890	7,904	4,658	9,202
1895	8,000	5,788	9,446
Percentage of increase 1870 to 1895	+ 34	+ 316	+ 467
" " " 1885 to 1895	+ 8	+ 57	+ 133
Nett increase 1885 to 1895	+ 2,037	+ 4,397	+ 778

In our special 11-year period, 1885 to 1895, the percentages of improvement are only 8% for us, but 57% and 133% for the other two. In tons the nett advance is 2,037 only for England, 4,397 for Germany, and 7,781 for the United States.

The production of Germany had been one of remarkably steady increase, whereas that of England and North America had been spasmodic. The output of the German Empire in 1895 had already attained the figures of ours in 1870, and will soon reach the level of the United States.

France produced 2,070,000 tons of pig iron in 1894, Belgium 816,039 in 1895, Sweden 38,383 in 1895 (pig and ballast iron), and Russia and the Urals 1,500,000 in 1892.* This latter country only produced 716,000 tons in 1881. The production of pig iron in Austria was still on the increase in 1895. With such development going on abroad in recent years, our iron industry cannot expect to flourish as it once did.

The production of iron in Southern Russia has only recently become important. It has been encouraged by the large quantities of cast iron

* Later figures not available.

required for the extensive system of railways, which the old Ural foundries could not supply fast enough, and by an excellent local coal supply. The output in the South has risen from 322,000 tons in 1893, to some 800,000 in 1896, and has an immense future before it, which is bound to considerably reduce foreign imports in the future, and will, therefore, affect our iron trade to the Black Sea ports.

Since the commercial treaty of 1894 between Russia and Germany, the latter's iron has made its way all over the Empire. This result is largely due to the care which German manufacturers have taken to observe Russian customs, and to adapt their wares to local requirements. Germany's share of the total imports of iron is very large. She supplies 35% of all the plates and sheets, 30% of the rods, 17% of the corner and angle pieces, and of locomotive engines of all kinds; also 25% of the cast iron machines, and 18% of the wrought iron ones.

Both bar and sheet iron have doubled in the quantity imported from 1890 to 1895. Germany and Belgium have increased their share of assorted, bar, and sheet iron more than we have.

No. 61. IMPORTATION OF IRON INTO RUSSIA, IN 1000 POUNDS.*

YEAR.	FROM ALL COUNTRIES.		GREAT BRITAIN.		GERMANY.		BELGIUM.	
	1890.	1894.	1890.	1894.	1890.	1894.	1890.	1894.
	P.	P.	P.	P.	P.	P.	P.	P.
Iron in bars, assorted, etc.	3,826	6,740	362	398	1,532	4,456	739	1,005
Iron in sheets	2,008	4,625	711	1,026	816	2,188	338	1,264

In 1881 Russia† produced 460,000 tons of pig iron, 287,000 of wrought iron,‡ 288,000 of steel. In 1892 she turned out 1,060,000 tons of the first, 480,000 of the second, and 516,000 of the third. This year, 1895, Great Britain imported there 62,130 tons of pig iron *versus* 9,700 for Germany; 75,000 of wrought iron *versus* 24,800 from the latter country; and 7,200 of steel *versus* the latter's 4,700. In 1895 Russia actually exported to England 600 tons of sheet iron.§ In the last few years large amounts of German and Belgian capital have been invested in iron works in Southern Russia, but hardly any English.

As regards agricultural machinery, from many countries comes the testimony that if British makers would give greater financial facilities

* 1 pound = 36 lbs. avoirdupois. † Excludes Urals? ‡ Russian statistics.

and be more enterprising, they would have a larger market. The demand in Russia is yearly increasing. English and American agricultural machines have the best reputation there, but are so dear to buy that quantities of cheap German ones are bought instead. This is also the case with farm implements from Germany, which are of a most attractive appearance. They look the same or better than ours, and are less expensive.

Many foreign manufacturers or exporters actually put up abroad, on the property where it is to be used, the heavy stationary machinery that they send abroad. They will also accept a mortgage on the plant, when erected, in lieu of part payment, so as to enable the buyer to use the machinery and gain profits before paying up the full cost. It is a system that puts the seller on his mettle to supply good work, and affords him security for payment. The English manufacturer or exporter will not do this, and they seem indifferent whether their machinery is satisfactory or not, as they insist on receiving payment before it is tried. British terms are, usually, one-third of cost cash on giving order, one-third on shipment, and balance at 90 days after shipment. What a contrast to those of foreigners! No wonder the latter are preferred. Not only are the agents of other countries often much more active, but they supply the latest and most modern improvements more frequently than we do. Would any British firms ever take orders for machinery subject to the condition of erecting it, in Italy, for instance (a concrete case that has occurred), and of its being tested, when put up, as to all the conditions of the contract before any advance or payment whatever is made? German and Swiss firms have even gone thus far to secure orders.

In Italy the Germans have obtained a large machine trade by such steps and by others equally energetic; and the fact is that some of their products are better known than ours, owing to so many Italians having studied the management of industries and factories in Germany when these were first started on a large scale on Italian soil. Having by this means become acquainted with German methods, credits, and machines, they have naturally placed the greater part of their orders there.

Our exports of agricultural machinery to the principal foreign countries are now tabulated.

No. 62. EXPORTATION OF AGRICULTURAL MACHINERY, IN £1000.

COUNTRY.	STEAM, AND PARTS THEREOF.		NOT STEAM.		STEAM.	NOT STEAM.
	1885.	1895.	1885.	1895.	+ or - '95 v. '85.	+ or - '95 v. '85.
	£	£	£	£	£	£
To foreign countries	509	595	488	727	+ 86	+ 239
To British Possessions	70	50	79	70	- 20	- 9
To all countries	579	646	567	797	+ 67	+ 230
Russia	51	165	59	125	+ 114	+ 66
Germany	163	78	155	174	- 85	+ 19
Belgium	59	12	33	17	- 47	- 16
France	31	31	76	101	Same	+ 25
Brazil	24	33	19	19	+ 9	Same
Italy	13	21	* ?	19	+ 8	* ?
Egypt	11	29	* ?	32	+ 18	* ?

* Not given in our statistics for 1885.

The total exports in the 11 years improved about 20%, or by £297,000. Those to our Colonies diminished £29,000. To Russia our increase is very large, but to other European countries we find stagnation or decreases. The falling-off to Belgium is great in both classes of agricultural machinery.

As Germany has become such a serious rival to us in these metal industries, I have put a few statistics together to show her progress in them. In 1895 the value of her total exportation of machines of every kind was £4,540,000 as against £2,493,000 in 1885; and that of fine and rough iron-work was £5,595,000 *versus* £4,230,000. The advance in the total for these three classes alone is, therefore, £3,412,000 or 51% in the 11 years, namely, from £8,723,000 to £10,135,000. Moreover, it may be noted here that the value of imported machinery in 1895 was £1,545,000 *versus* £1,155,000 in 1885, or an increase of £390,000 or of 24% only, as compared with one of £2,047,000 or of 45% for exports.

The following table is interesting as showing the importation of raw material and manufactures into Germany compared with their exportation, 1886 to 1895.

No. 63. COMPARISON OF TRADE FOR METALS IN RAW MATERIAL AND MANUFACTURES, 1886-95. GERMANY.

METAL INDUSTRIES EXCEPT MACHINES.	IMPORTS.				EXPORTS.			
	Quantity in 1000 tons.*		Value in £1000.		Quantity in 1000 tons.		Value in £1000.	
	1886.	1895.	1886.	1895.	1886.	1895.	1886.	1895.
	Tons.	Tons.	£	£	Tons.	Tons.	£	£
Ores	974	2,662	2,450	3,075	1,864	2,535	445	500
Rough metals	202	322	1,780	4,230	458	380	2,690	2,555
Roughly worked metals	25	32	300	320	528	819	3,695	5,515
Manufactures	18	27	770	920	373	473	7,605	10,205

* German metric ton = 2,204 instead of 2,240 lbs.

ANALYSIS OF ABOVE TABLE.

	+ or - '95 v. '86.	+ or - '95 v. '86.	+ or - '95 v. '86.	+ or - '95 v. '86.
	Tons.	£	Tons.	£
Ores	+ 1,688	+ 625	+ 671	+ 55
Rough metals	+ 120	+ 2,450	- 78	- 135
Roughly worked metals	+ 7	+ 20	+ 291	+ 1,820
Manufactures	+ 9	+ 150	+ 100	+ 2,600

The increase in the decade of imported ores and rough metals is 1,808,000 tons, valued at £3,075,000, as contrasted with an improved exportation of 749,000 tons, of a value of £190,000. The increased imports of roughly worked metals and manufactures are 7,000 and 9,000 tons, and £20,000 and £150,000 respectively, *versus* an improved exportation of 291,000 and 100,000 tons, valued at £1,820,000 and £2,600,000 respectively. The percentages of increase of exports of manufactures are 27% in tons and 34% in value, compared with 50% for tons and 17% for value of imports. The value of exported metal manufactures in 1895 was £10,205,000, as contrasted with an importation of £920,000.

The chief classes of the exported produce of the metal industries are now given from 1886 to 1895, both as regards quantity (in German metric tons) and value.

No. 64. EXPORTS OF MANUFACTURES OF IRON FROM GERMANY,
1886-95.

PRINCIPAL MANUFACTURES OF IRON.	QUANTITIES IN 1000 TONS.				VALUE IN £1000.		
	1886.	1895.	+ or - '95 v. '86.	+ or - % '95 v. '86.	1886.	1895.	+ or - '95 v. '86.
	Tons.	Tons.	Tons.	Per cent.	£	£	£
Angle and corner iron	30	172	+ 142	+ 473	170	815	+ 645
Axles, springs for rolling stock . .	12	25	+ 13	+ 18	115	270	+ 155
Bars of wrought iron	177	277	+ 100	+ 56	885	1,400	+ 515
Ingots, etc., of iron	42	61	+ 19	+ 43	170	240	+ 70
Fine ironware	8	18	+ 10	+ 125	875	1,645	+ 770
Locomotives and "locomobiles" . .	7	7	Same	Nil	345	320	+ 75
Machines chiefly of cast iron . . .	45	97	+ 52	+ 119	1,185	2,820	+ 1,635
" " wrought iron . . .	8	16	+ 8	+ 100	240	565	+ 325
" others, and parts thereof	7	10	+ 3	+ 43	530	505	- 25
Nails of wire; ground	39	63	+ 24	- 62	320	460	- 140
Pipes rolled and wrought	18	32	+ 14	+ 78	190	325	+ 135
Raw iron	250	135	- 115	- 46	540	355	- 185
Rough castings	17	19	+ 2	+ 12	95	135	+ 40
Rough ironware	58	116	+ 58	+ 100	2,610	3,955	+ 1,345
Rough plates of wrought iron . . .	42	124	+ 82	+ 195	355	780	+ 425
Railway sleepers, fish plates, etc. .	22	45	+ 23	+ 105	125	230	+ 105
" rails	163	116	- 47	- 28	760	510	- 250
Wire, of iron	238	205	- 33	- 14	1,470	1,300	- 170

Looking at quantities and their development, the greatest percentage of increase is in angle and corner iron with 473%, or from 30,000 tons in 1886 to 172,000 in 1895, worth £815,000 in the latter year and £170,000 only in the former. Next comes fine ironware with an improvement of 125%, from 8,000 tons to 18,000, with an increased value of £770,000, from £875,000 to £1,645,000. Railway sleepers, fish plates and machines (chiefly of cast or wrought iron) have all increased 100%, and represent an improved value of £2,065,000.

Other particulars can be gathered from the table itself. The only decreases in value are in raw iron, rails, and iron wire, with a loss of £605,000, and of £25,000 for "other machines and parts thereof," though the quantity of the last-mentioned had increased by 3,000 tons, or 43%. Finally the total value of exports, for the metal manufactures of iron only—as enumerated above—was £10,935,000 in 1886 and £16,670,000 in 1895, or a progress of 34½% in the decade. This is a very different result to that of our exportation of metals and their manufactures (see table No. 57, on pp. 111 and 112, where our total improvement was shown to be only £840,000 from 1885 to 1895).

The only other important German exports of metal manufactures are copper ones; and here is found a large increase of 7,500 tons, and of £1,170,000, or 94%, namely, from £1,240,000 to £2,410,000. The most remarkable progress under this head is ammunition and artillery fuses, which rose from £150,000 to £625,000 in the decade 1886-95; and copper wire increased fivefold in value, from £50,000 to £250,000.

Thus, as regards our Teutonic rivals, it may be said that, in spite of distressed times, their metal industries in the last decade have shot ahead enormously, while ours have practically remained stationary.

The iron and steel trades of the German Empire are now generally satisfactory. Ever since 1890, there had been a great depression; but, since the conclusion of the Commercial Treaty with Russia in 1894, an improvement took place. Prices have also risen somewhat from the low point they had reached. The local demand for steel rails has been aided by the increasing number of narrow-gauge railways and tramways. The discovery of "minette" ore in some districts has resulted in improved processes which economise coal.

In 1894 the exportation of pig iron exceeded the importation; in that year there was an excess of the former of 20,500 tons, though home consumption had increased to 5,500,000 tons from 5,000,000 in the previous year. In 1887, however, the excess of exports was 108,000 tons. From 1890 to 1895, prices had dropped considerably, from £4 10s. to £2 6s. for forge pig; from £4 14s. to £3 3s. for foundry; and from £4 16s. to £2 14s. for Bessemer.

The iron and steel trade of Germany had suffered so considerably, some years ago, from over-production, that large exports of metal manufactures were made at a loss. It has since improved wonderfully, but, in order to further increase the exportation, the Society of German Machine Manufacturers has recently organised a special export branch, and is sending practical engineers abroad to large centres of this branch of trade. One has already gone to the Pacific coast of South America, another to the Transvaal; and others will go to the Argentine Republic and Brazil, as soon as the funds are sufficient.

The increase of exportation of machines is, roughly, from 60,000 to 122,000 tons, or 107%, from 1886 to 1895; that of importation is from 25,000 to 40,000 tons, or 60%, in the same period. For mechanical looms for textile industries, a change has taken place. Instead of coming exclusively from Great Britain, as formerly, they are now made in Germany; and Saxony, with her carding machinery for wools, has

entirely displaced ours ; and this is also happening gradually with most other textile machines.

The exportation of iron from Germany to Russia increased largely after the conclusion of the Russo-German Treaty, and all branches of the iron industry improved. In the first six months of 1893, before the Treaty, the exports were 425,000 tons ; in the first half of 1896, the total was 1,150,000, or an improvement of 160% in three years.

Here again then, as was the case in the previous chapter on textiles, we find, after due examination of the subject of metals and their manufactures, that the contrast between the flourishing industries of Germany and the languishing state of industrial activity in England is too marked a one to allow us to contemplate such an unfavourable comparison with equanimity or passive forbearance.

CHAPTER VIII.

THE INDUSTRIAL PROGRESS OF THE GERMAN EMPIRE.

THE rise of Germany as an industrial nation has been almost phenomenal. Aided by the State in every possible way, and partly protected from foreign competition by high tariffs, her industries of all kinds—whether suited to the country or not—came into existence, developed, and flourished. Soon there was no sufficiently extended market at home for such a rapid increase of production, and an outlet had to be found abroad. As her progress in this direction was much hampered by the protective and heavy duties of other countries, she began in 1891 to make a series of special tariff treaties with Belgium, Italy, Austria-Hungary, and Switzerland. Later, in 1892 and 1893, came those with Servia and Roumania; and lastly, in February 1894, the famous commercial Treaty with Russia, the coping stone of this great work, was finally concluded. In 1892, treaties were also made with Uruguay, Egypt, and Columbia, which contained the most-favoured-nation clause. These have all proved to be of great service in disposing of her surplus produce, and she is doing her best to conclude similar treaties with still more countries. Every possible effort is being made in all directions to push her export trade abroad, not only to European nations, but especially to the smaller States in distant parts of the world. (See chap. iii. on "Foreign Competition.") Germany may now be said to be pledged to the policy of developing her industries by all available means, of which new commercial tariff treaties will not be the least portion. It should be noted that, in the conclusion of these treaties of the nineties, there is no deviation whatever from the former strict protective policy. They merely lowered in special cases particular custom duties at home, and prevented the increase of others abroad, or obtained certain reductions there.

The relative positions of the German Empire and Great Britain have been somewhat reversed in late years. Formerly our chief exports to Germany were manufactured articles; but latterly they have largely consisted of raw materials, which are returned here in the form of manufactured goods, not only for re-exportation, but actually for our

own consumption. Her chief exports to us are manufactured articles, similar to what we ourselves produce, and some of which are England's staple products, such as woollens and worsteds, all kinds of underlinen, clothes, printed and dyed cottons, ironmongery, corner and angle iron, paper and glass. Our exports to her and hers to us are, however, in some cases unduly augmented in statistics by the fact that certain kinds of our goods, as cotton for instance, go there to be printed and to be more elaborately finished, after which they return to England.

The largest export trade of Germany is to Great Britain, and amounted for articles of domestic produce alone to £22,639,000 in 1885, or nearly 15% of the whole, in 1890 to £34,476,000, or 20 $\frac{3}{4}$ %, and in 1895 to £33,776,000,* or 20% of the total exportation. It is distressing to observe the steadily increasing exports to us of articles similar to our own, which has gone on in spite of the general commercial depression in late years. Though German commerce may have fallen off in some parts of the world, it has substantially increased in others, and is larger now than it has ever been as regards importation. In 1885† her exports of home produce stood at £143,015,000 and 18,814,000 metric tons; in 1895 they had reached £166,950,000 and 28,329,000 tons, representing increases of £22,935,000 in value, and of 9,515,000 tons in quantity. Her imports for home consumption had increased from £147,220,000 and 17,867,000 tons, in 1885, to £198,165,000 and 32,536,000 tons in 1895, indicating an advance of £62,807,000 in value, and 14,669,000 tons in quantity. Her productive power in almost every industry has largely increased. A later table of the values of exports from 1885 to 1895 (p. 129) will best illustrate her remarkable advance in industries, by which ours are so seriously menaced.

It is somewhat startling to an ordinary English reader to discover that Germany's present principal export is in woollen textiles, and that third‡ in importance on the list stand cotton goods! Fourth come silk manufactures, fifth coals, sixth machines of all kinds, seventh iron goods, and eighth clothes and underlinen—all manufactured products, in most of which we till lately believed that we almost controlled the markets of the world. The value of these seven categories alone of exported manufactures was £43,850,000 in 1895!—or £11,105,000 for woollens, £9,195,000 for cottons, £6,405,000 for silk goods, £5,350,000 for coals, £4,545,000 for machines, £3,955,000 for rough iron-work, and

* German figures for 1895; 1885 and 1890 Board of Trade returns.

† These are all figures from German statistics.

‡ Sugar comes second, with £9,190,000.

£3,295,000 for clothes, dress requisites, and underlinen. In considering export returns, it must be remembered that even where the values have declined, owing to fall in prices, the quantity has, in most cases, materially increased. The 1893 and 1894 figures show a far greater fall in value than in volume.

The indefatigable energy of Germans to secure foreign trade was well exemplified during the period of the tariff war with Russia, before the signing of the new treaty in February, 1894. The exports to the Russian Empire, of iron, machinery, woollens, drugs, and leather, increased by some £2,000,000 over the previous year's trade, in spite of the customs warfare. And this took place, though the duties in Russia on German imports had been increased by 50%. It is said that the Russian Government will establish official depots in German commercial centres for the exhibition of their goods, in order to still further develop the activity of both countries' commerce. Both are doing their best to advance their trade with one another to the utmost.

Being desirous of putting before the reader a clear statement of the commercial relations of the German Empire with foreign countries, under the new era of tariff treaties, I cannot do better than quote from the able reports of Sir Charles Oppenheimer, H.B.M. Consul-General at Frankfurt, of which several lengthy extracts are given in Annex No. 9 (p. 179), and from which a cursory view can be obtained of the existing situation, and of the circumstances that led to the conclusion of these treaties with each country.

Imports and exports are now considered, and a comparison of the importation of raw material and manufactures into Germany is first made.

NO. 65. COMPARISON OF GERMAN TRADE IN RAW MATERIALS
AND MANUFACTURES, 1886-1895.

CLASSIFICATION.		1886.	1890.	1895.	+ or - '95 v. '86.	+ or - % '95 v. '86.
Import of raw material for industries . . .	Quantity in 1,000 tons	13,206	21,912	25,039	+ 11,833	85
	Value in £1,000 .	59,115	88,370	90,275	+ 31,160	53
Export of manufactures.	Quantity in 1,000 tons	2,036	1,590	2,058	+ 22	Nil.
	Value in £1,000 .	97,215	107,375	108,985	+ 11,770	11
Export of raw material for industries . . .	Quantity in 1,000 tons	15,015	16,081	19,735	+ 4,720	26
	Value in £1,000 .	27,670	35,415	36,125	+ 8,455	29
Import of manufactures.	Quantity in 1,000 tons	1,020	1,488	1,630	+ 610	59
	Value in £1,000 .	42,850	49,055	46,275	+ 3,425	7

The increase in imports in the decade is 11,833,000 tons of raw material, worth £31,160,000, and of 610,000 of manufactures, worth £3,425,000; that in exports is 4,720,000 of raw material, worth £8,455,000, and 22,000 tons of manufactured articles, worth £11,770,000. The exportation of manufactures therefore exceeds the importation by a value of £8,345,000.

As exports chiefly concern us in international competition, I deal principally with them in this work, so that the reader may see the rise of Germany and her enormous importance among industrial States.

No. 66. SIXTEEN CHIEF GERMAN EXPORTS IN £1000, 1885-1895.

	1895 IMPORTANCE.	1885.	1890.	1895.	+ or - '95 v. '85.	1895 percentage of total export.
		£	£	£	£	Per cent.
1.	Woollen textiles	7,749	9,055	11,105	+ 3,331	* 6·5
2.	Sugar	7,847	10,804	9,645	+ 1,798	5·6
3.	Cotton textiles	2,651	3,176	9,190	+ 6,539	5·4
4.	Silk goods	836	853	6,405	+ 5,569	3·7
5.	Coal	4,030	5,779	5,350	+ 1,320	3·1
6.	Machines of all kinds	2,493	3,310	4,540	+ 2,047	2·7
7.	Ironware, rough	3,583	4,575	3,950	+ 367	2·3
8.	Clothes, articles of dress, underlinen, etc.	4,339	6,067	3,295	- 1,044	1·9
9.	Aniline dyes	1,724	1,892	3,160	+ 1,742	1·8
10.	Leather articles, fine	4,413	3,793	2,810	- 1,603	1·6
11.	Leather for gloves	1,241	1,673	2,630	+ 1,389	1·5
12.	Books, etc.	?	?	2,625	?	1·5
13.	Woollen yarn	1,811	1,972	2,340	+ 529	1·4
14.	Coloured pictures, copper plates, etc.	?	?	2,305	?	1·4
15.	Coke	396	1,245	1,780	+ 1,384	1·0
16.	Ironware, fine	847	1,395	1,645	+ 798	1·0

* The above percentages are taken from German statistics, which include in the value of total exports some specie sent abroad; so that the percentages would really be higher than above on the remainder, or what we should call the figures for exports.

The fact that woollen and cotton textiles form over 12% of the whole of Germany's exports, with a value of £20,295,000 in 1895, is surprising news to most Englishmen. And they will be still more astonished to learn that woollens head the list of the exports of the German Empire by a long way with £11,105,000, and that cottons are next but one with £9,645,000. Silk goods follow with £6,405,000, and then coals with £5,350,000! As this latter fact is so little known, I give here a statement of coal and coke exported to the chief European countries.

No. 67. EXPORT OF COAL AND COKE, IN 1000 METRIC TONS, 1885-1895

PRINCIPAL COUNTRIES. 1895 IMPORTANCE.	COAL.			COKE.		
	1885.	1895.	+ or - '95 r. '85.	1885.	1895.	+ or - '95 r. '85.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1. Austria-Hungary	2,382	4,380	+ 1,998	68	555	+ 487
2. Netherlands	2,776	3,457	+ 681	43	122	+ 79
3. Belgium	786	782	- 4	25	346	+ 321
4. Switzerland	573	749	+ 176	40	72	+ 32
5. France	*1,223	577	- 646	*420	907	+ 487
6. Russia	323	199	- 124	38	143	+ 105
7. Italy	68	21	- 47	6	21	+ 15
8. Australia	?	?	?	?	44	+ 44
Total export to all countries	3,995	10,360	+ 1,365	633	2,293	+ 1,660
Total value " " in £1,000	4,030	5,350	+ 1,320	396	1,780	+ 1,384

* Includes Algiers in 1885.

The result is an augmentation of 1,365,000 tons, valued at £1,320,000, for coal, and of 1,660,000 tons, worth £1,384,000, for coke. The total value of the former in 1895 was £5,350,000, and of the latter £1,780,000, or £7,130,000 for both. It will be seen that the exportation of coke has increased to every country, whereas for coal, it has only done so to Austria-Hungary and Switzerland. In 1885 no German coal or coke came to England. But, in 1895, 24,295 tons of the former and 1,250 of the latter were sent over.

A few notes on the chief markets for these 16 classes of exports, and England's proportionate consumption of them in 1895, will not be without interest.* The United States is the largest customer for woollens with 5456 tons, or 17% of the whole; England comes second with 4865 tons, or 16%; and we take nearly all the hosiery, or 1436 tons—692 tons also went to India, and 104 to Canada. In cotton goods the United States are first again, with 7338 tons, or 21%, and we second with 5844, or 17%. The former takes over half the hosiery, or 5,928 tons. 343 tons of cottons went to India, 258 to the Cape, 262 to Australia, and 100 to Canada—all chiefly hosiery, except to the Cape, where cloths and stuffs predominated.

The condition of the textile industry of Germany is in a healthy state, and has gradually improved. The worsted trade particularly shows very great activity; and American orders are larger than ever.

The development of the cotton industry has been a remarkable one.

* German Statistics.

In 1895 the number of spindles was over 4,672,000, distributed thus—1,400,000 in Alsace-Lorraine, 1,344,250 in Prussia, 1,331,427 in Saxony, 1,165,636 in Bavaria, 435,885 in Wurtemberg, and 395,000 in Baden. Their number from 1877 to 1892 increased by 28% *versus* one of 21½% for England; but their absolute number, represented by the latter percentage, is nearly equal to the former. Up to 1877, fine yarn was a weak point in the German manufacture, but, since then, the finest kinds required have been produced. In 1876 the percentage of British imports of cotton yarn was 17½%; in 1891 it had become 8% only. Particularly great progress in all branches has been made since 1887.

Exports will now be considered in detail.

No. 68. EXPORT OF COTTON TEXTILES, 1886-95.

PRINCIPAL CLASSES.	QUANTITY IN TONS.		VALUE IN £1,000.		+ or - '95 v. '86.	
	1886.	1895.	1886.	1895.	Quantity in tons.	Value in £1,000.
	Tons.	Tons.	£	£		
Close textures, bleached	1,624	1,947	285	305	+ 323	+ 20
" dyed and printed	12,090	16,670	2,235	2,875	+ 4,580	+ 640
Trimnings (<i>passementerie</i>) and buttons	2,377	3,436	715	1,170	+ 1,058	+ 455
Laces and embroideries	813	687	2,030	1,030	- 126	- 1,000
Hosiery	8,299	11,313	3,525	3,395	+ 3,014	- 130
Yarn (and wool and cotton mixed)*	7,324	7,694	910	835	+ 370	- 75

* Vigogne.

There are large gains in all the above classes, amounting in quantity to 9,346 tons, but a loss of 126 in laces and embroideries. In values, the first three show an increase of £1,115,000; but the last three a diminution of £1,205,000. The nett gain for cotton textiles in the decade is 9,220 tons, but there is a nett loss of £90,000 from the fall in value of the last three in the table.

No. 69. EXPORT OF WOOLLEN TEXTILES, 1886-95.

PRINCIPAL CLASSES.	QUANTITY IN TONS.		VALUE IN £1000.		+ or - '95 v. '86.	
	1886.	1895.	1886.	1895.	Quantity in tons.	Value in £1000.
	Tons.	Tons.	£	£	Tons.	£
Blankets, all kinds	836	1,335	175	265	+ 499	+ 90
Plushes	1,198	771	540	295	- 427	- 245
Trimnings (<i>passementerie</i>) and buttons	1,461	1,327	1,025	930	- 134	- 95
Hosiery, plain	3,276	3,750	1,555	1,520	+ 474	- 35
Cloths and stuffs, printed	541	724	230	305	+ 183	+ 75
" " plain	20,211	23,921	7,580	7,535	+ 3,710	- 45
Yarn	6,407	9,048	2,240	2,340	+ 2,641	+ 100

Here in quantity there is a gain of 4,866 tons, but a loss of 561 for plushes and trimmings. There is, again, a great fall in prices for most woollen textiles, which is most marked in hosiery and cloths (plain). Though there is an improvement of 3,710 tons in the latter, yet there is a decrease of £45,000 in value.

For the export of metals of all kinds, the chapter on "Metals and their Manufactures" (p. 108) should be consulted.

No. 70. CHIEF MISCELLANEOUS MANUFACTURES EXPORTED,
1886-95—GERMANY.

ARTICLE.	QUANTITY IN TONS.		VALUE IN £1000.		+ or - '95 v. '86.	
	1886.	1895.	1886.	1895.	Quantity in tons.	Value in £1000.
	Tons.	Tons.	£	£	Tons.	£
Books, maps, etc.	8,828	10,933	1,555	2,625	+ 2,051	+ 1,070
Caoutchouc wares	2,414	2,925	955	905	+ 511	- 50
Cement	365,915	471,124	6,400	6,000	+ 105,209	- 400
Glass of all kinds	73,667	113,422	1,275	1,420	+ 39,755	+ 145
Instruments, astronomical, etc.	730	855	730	1,445	+ 125	+ 715
Paper	35,658	73,586	2,170	2,080	+ 37,928	- 90
Porcelain	8,098	16,388	365	820	+ 8,290	+ 455
Telegraph apparatus	62	210	45	135	+ 148	+ 90
Toys	9,359	14,637	635	1,350	+ 5,278	+ 715

In all the above there are increases in quantity, but, for cement, paper, and caoutchouc wares, decreases in value. The largest developments are telegraph apparatus, with 239%, or 148 tons, from 1885 to 1895; paper with 106%, or 37,928 (though £90,000 less in value); and porcelain with 100%, or 8290 tons. The total growth of these eight classes in the eleven years was 199,295 tons. To compare these with our exports of identical commodities (see appendix, Annex No. 10, p. 196) is instructive.

No. 71. OTHER MISCELLANEOUS EXPORTS, 1886-95. GERMANY.

ARTICLE.	QUANTITY IN TONS.		VALUE IN £1,000.		+ or - '95 v. '86.	
	1886.	1895.	1886.	1895.	Quantity in tons.	Value in £1,000.
	Tons.	Tons.	£	£	Tons.	£
Beer	129,840	77,145	975	725	- 52,695	- 250
Delfware	6,687	11,072	150	360	+ 4,385	+ 210
Guns, etc., for sport	72	95	55	125	+ 23	+ 70
Leather, fine wares	4,989	2,957	4,990	2,810	- 2,032	- 2,180
" for gloves	2,693	5,010	1,280	2,630	+ 2,317	+ 1,350
" gloves	292	396	1,165	1,290	+ 104	+ 125
" rough wares	1,035	1,159	380	355	+ 124	- 25
Rifles, for warfare	15	1,957	50	1,270	+ 1,942	+ 1,220
Sugar	568,396	894,048	7,060	9,645	+ 325,652	+ 2,585
Silk manufactures	5,285	4,837	7,815	6,355	- 448	- 1,460
Wine	25,979	20,352	1,225	1,045	- 5,627	- 180

Here the most wonderful increase is in arms (rifles for warfare), which in the short space of ten years developed from 15 tons to 1,957, with an increased value of £1,220,000, or from £50,000 only in 1886 to £1,270,000 in 1895.

Returns prepared by our Board of Trade show that the quantity and value of wearing apparel of German origin exported to us is as follows:—

No. 72. GERMAN EXPORTS OF WEARING APPAREL TO ENGLAND,
1880-93.

YEAR.	AMOUNT IN CWTs.	VALUE IN £1000.
1880*	16,183	805
1885*	20,531	871
1890	33,426	1,750
1893	50,879	1,403
+ or - '93 v. '80	+ 34,696	+ 598

* Included Gibraltar, Malta, and Cyprus in these years.

Here the advance from 16,183 cwt. to 50,879, and from £805,000 to £1,403,000, is enormous, amounting to 212% for the first and 74% for the second.

Turning now to a comparatively new industry of Germany, we find that its shipbuilding yards are greatly increasing their trade every year, and are said to have far more orders than they can possibly execute. Would that such were the state of things in England! In 1894, out of a total of 71 ships built for the mercantile marine, 54 were constructed in German yards, and only 15 in ours. Shipowners are making strenuous efforts to supply vessels of very large carrying capacity, which, on account of the greater economy of working, will earn a profit where smaller ones do not. The cost of constructing ships has also been very low in the last few years; and the rivalry with British yards has become very serious indeed. In 1895 the tonnage built in Germany was 6,000 tons less than in 1894, the figures being 101,400 and 117,620; but it was still a most satisfactory result when one compares it with the 48,200 and 66,470 only of 1892 and 1893 respectively. So many contracts for merchant vessels have been given to the German firms that only a few could be accepted, as the orders in hand will not be completed till 1897.

A meeting of shipbuilders and ironmasters was recently held in

Hanover for the purpose of advocating the use of German instead of English materials in the shipbuilding yards, even though more costly. It is stated that the owners of iron works have agreed to largely increase their establishments and output in order to be able to supply all the necessary ironwork, and further that "they will be willing to work without profit,"—or "*even at a slight loss,—to begin with.*" The State railways will also co-operate in this movement by granting still lower special freights on these materials. Considerations of a patriotic and commercial nature have been the cause of this remarkable procedure.

Such steps, if carried out, will inevitably further damage our exportation of metals and their manufactures to Germany, and must also reduce the already restricted foreign market for our iron industry products,—a consideration of enormous importance to our welfare.

A comparison of some of the chief articles of iron exported from Germany and Great Britain in 1895 is now attempted. The categories do not correspond exactly; but, taken as a whole, and approximately, one learns a good deal that is unexpected.

No. 73. IRON TRADE—COMPARISON OF TOTAL EXPORTS OF EACH CLASS FROM GERMANY* AND GREAT BRITAIN IN 1885 TO 1895.

GREAT BRITAIN, 1895.			GERMAN EMPIRE, 1895.			
Class of Iron.	+ or - in 1000 tons, '95 v. '85.	+ or - in £1000, '95 v. '85.	+ or - in 1000 tons, '95 v. '86.	+ or - in £1000, '95 v. '86.	Class of Iron.	
	Tons.	£	Tons.	£		
Angle and bolt and rod . . .	- 19	- 137	+ 142	+ 645	Angle and corner iron.	
Tubes and pipes, wrought . .	+ 12	+ 213	+ 14	+ 135	Pipes rolled, wrought.	
Bar iron	- 101	- 630	+ 100	+ 515	Iron in bars, wrought.	
Iron puddled, and puddled bars	- 7	- 31	—	—	—	
Railroad rails	- 123	- 1,332	- 47	- 250	Railway rails.	
" chairs and sleepers . . .	- 122	- 503	+ 23	+ 105	" sleepers, fish-p	
" unenumerated	- 10	- 174	+ 13	+ 155	" axles, springs.	
Pig iron	- 87	+ 15	+ 66	- 185	Raw iron.	
Wire, iron, or steel, and manu-						
factures of, except telegraph	- 13	+ 22	- 33	- 170	Wire, iron.	
Machinery and mill work . .	?	+ 4,064	+ 67	+ 2,010	Machines and parts the	
Nails, screws, rivets	+ 4	+ 93	+ 24	+ 140	Nails, wire.	
Sheets and boiler plates . . .	- 68	- 563	?	?	?	

The comparison item by item does not exactly agree, as one sees at once. But what very favourable results figure for the German iron trade, and what very unsatisfactory ones for us! In quantities there

* 1885 figures for Germany not available in time. The period compared, therefore, is eleven years for us, and ten for them, as 1886 had to be used.

are only 2 decreases on the German side out of 10, while on the English one there are 9 minus signs out of 11. And values are almost equally disappointing. In angle, bolt, and rod iron our decrease for the 11 years was 19,000 tons, valued at £137,000; their increase, meanwhile, was 142,000 metric tons, valued at £645,000! In bar iron, the comparison is still worse, we figuring for losses of 101,000 tons and £630,000 *versus* their gains of 100,000 tons and £515,000! The other contrasts are best seen on the table itself.

Tabulated statements of the total German exports to European and non-European countries, from 1885 to 1895, are of great importance to us, in order that we may compare their totals with ours, and thereby gauge their progress as compared with ours.

No. 74. GERMAN EXPORTS OF DOMESTIC MERCHANDISE TO 18
EUROPEAN COUNTRIES, IN £1000.*

COUNTRY.	1885.	1890.	1894.	1895.	+ or - '95 v. '85.	+ or - '95 v. '90.
	£	£	£	£	£	£
Austria-Hungary . .	14,222	16,621	17,644	18,695	+ 4,473	+ 2,074
Belgium	7,371	7,532	7,491	7,957	+ 586	+ 425
Bulgaria †	27	143	284	220	+ 193	+ 77
Denmark	2,592	3,723	3,967	4,558	+ 1,966	+ 835
France ‡	12,124	11,529	9,382	10,114	- 2,310	- 1,415
Greece	89	185	178	195	+ 106	+ 10
Holland	11,237	12,886	12,174	12,235	+ 998	- 615
Italy	4,253	4,655	4,036	4,111	- 142	- 544
Norway	551	1,986	2,007	2,109	+ 1,558	+ 123
Portugal §	261	1,056	543	652	+ 391	- 404
Roumania	710	1,934	1,744	1,187	+ 477	- 747
Russia 	7,204	9,185	8,529	10,388	+ 3,184	+ 1,203
Servia	153	140	163	87	- 66	- 53
Spain ¶	1,764	2,653	1,526	1,557	- 207	- 1,096
Sweden	2,937	4,564	3,637	3,812	+ 875	- 752
Switzerland	7,239	8,775	9,237	10,790	+ 3,551	+ 2,015
Turkey **	392	1,702	1,718	1,950	+ 1,558	+ 248
United Kingdom †† .	22,639	34,476	31,590	33,776	+ 11,137	- 700

† Includes Eastern Roumelia since 1889.

‡ Includes Algeria and Tunis.

§ Includes Azores and Madeira. || In Europe, and Asia, and Finland. ¶ Includes Canary Islands.

** In Europe, Asia, and Africa, except Egypt.

†† Includes Gibraltar and Malta prior to 1889.

Comparing 1885 and 1895, there are only four minus signs, all small except to France. On making a comparison of 1895 and 1890, and subsequent, therefore, to all Hanse Towns considerations, there are nine decreases—£1,415,000 to France and £1,096,000 to Spain being the largest. The principal gains for the latter interval of 5

* German statistics.

years has been £2,074,000 to Austria-Hungary, £2,015,000 to Switzerland, and £1,203,000 to Russia. So that German commerce, since 1890, has only progressed with half of all the listed countries; for, of the 18, nine show increases and nine decreases.

On comparing 14 countries receiving exports of British and German origin, we obtain the following remarkable results from 1890 to 1895 for European nations:—

NO. 75. COMPARISON OF NETT RESULTS OF BRITISH AND GERMAN EXPORTS OF DOMESTIC PRODUCE TO 14 EUROPEAN COUNTRIES FOR PERIOD 1890 TO 1895.

COUNTRY.	FOR ENGLAND in £1000.	FOR GERMANY in £1000.	Difference in favour of—	
			ENGLAND.	GERMANY.
	£	£	£	£
Austria-Hungary	+ 432	+ 2,074	—	1,642
Belgium	— 314	+ 425	—	739
Denmark	+ 160	+ 835	—	675
France	— 2,698	— 1,415	—	1,283
Greece	— 351	+ 10	—	361
Holland	— 2,747	— 615	—	2,132
Italy	— 2,212	— 544	—	1,668
Norway	— 20	+ 123	—	143
Portugal	— 696	— 404	—	292
Roumania	— 379	— 747	368	—
Russia	+ 1,253	+ 1,203	50	—
Spain	— 1,361	— 1,096	—	265
Sweden	— 41	— 752	711	—
Turkey	— 1,425	+ 248	—	1,673
+ signs added = . . .	+ 1,845	+ 4,918	—	3,073
— signs added = . . .	— 10,819	— 5,573	—	5,246
Nett results	— 8,974	— 655	—	8,319

The total results are increases amounting to £1,845,000 only for us *versus* £4,918,000 for the Germans. Our losses amount to £10,819,000 *versus* their 5,573,000 only. The nett results for both are a loss to us, in the 5 years for the 14 countries, of £8,974,000, as compared with a decrease for them of merely £655,000. This enormous difference of our respective trades in home produce is astounding as regards the comparative effect of the depression of commerce, since 1890, on both nations. In the chief British Colonies, according to German statistics, the following are the figures for the imports there from Germany:—

No. 76. GERMAN EXPORTS OF DOMESTIC MERCHANDISE TO
BRITISH COLONIES, 1885 TO 1895.

BRITISH COLONIES.	1885.	1890.	1894.	1895.	+ or - '85 v. '90.
	£	£	£	£	£
Australasia	397	1,097	1,016	1,143	+ 46
British North America	133	746	838	816	+ 70
British West Indies	?	84	58	51	- 33
Cape of Good Hope and Natal	?	270	588	652	+ 382
India	276	1,608	1,958	2,232	+ 624

Since 1890 and up to 1895, there are improvements of £624,000 to India, £382,000 to the Cape, and £70,000 to Canada; but there is a diminution of £33,000 to the British West Indies.

No. 77. COMPARISON OF NETT RESULTS OF BRITISH AND GERMAN
EXPORTS OF DOMESTIC PRODUCE TO 15 COUNTRIES OUTSIDE EUROPE,
IN £1000, 1890 TO 1895.

COUNTRY.	FOR ENGLAND in £1,000.	FOR GERMANY in £1,000.	Difference in favour of—	
			ENGLAND.	GERMANY.
	£	£	£	£
Argentine Republic	- 3,067	+ 499	—	3,566
Brazil	- 136	+ 1,734	—	1,870
Central America	+ 829	+ 87	242	—
Chili	+ 116	+ 685	—	569
China	- 1,355	+ 277	—	1,632
Columbia	+ 83	- 2	85	—
Ecuador	- 40	+ 8	—	48
Egypt	- 33	+ 102	—	135
Japan	+ 310	+ 379	—	69
Mexico	- 384	+ 101	—	485
Peru	- 442	- 151	—	291
Philippines (colony)	- 583	- 14	—	569
United States	- 4,120	- 2,413	—	1,707
Uruguay	- 695	+ 39	—	734
Venezuela	- 26	- 96	70	—
+ signs added =	+ 838	+ 3,901	—	3,063
- signs added =	- 10,881	- 2,676	—	8,205
Nett results	- 10,043	+ 1,225	—	11,268

The nett results are here worse than with European nations, showing a total loss, for 15 countries, of £10,043,000 for us, as contrasted with an improvement of £1,225,000 for Germany, or a total balance of £11,268,000 in favour of that State.

Looking into items, it is seen that to the Argentine Republic we lost £3,067,000 in the 10 years, whereas our trade rivals increased their home exports by £499,000; to Brazil we lost £136,000 *versus* their improvement of £1,734,000; to China our commerce fell off by £1,355,000, theirs rose by £277,000; and to the United States our decrease was twice as large as theirs, or £4,120,000, compared with £2,413,000 for their reduction. In fact, they had decreases in 5 only out of the fifteen countries, while we had 11. Their progress in most parts of the world is remarkable, to say the least of it, when compared with ours.

A table of the exports of German domestic produce to these 15 nations in 1885, 1890, and 1895 will be found in the appendix, Annex No. 4 (p. 159).

When one reviews the facts brought out by the tables in this chapter, and couples them with the other facts mentioned in chap. iii., on "Foreign Competition" (showing the untiring energy of the Germans in taking the best advantage of old and new markets), one is compelled to acknowledge that their industrial rivalry is indeed a most serious one, in so far as their rapid development may be a cause of our retarded commercial progress.

CHAPTER IX.

TRADE WITH JAPAN AND CHINA.

IN the East we still have some hopes of better trade in the future, with the greater opening up of Japan and China to European commerce. Here are opportunities for us, though there, as elsewhere, we shall have to deal with keen German and other competition in many manufactured articles. In Japan to-day, even as in Germany some twenty-five years ago, there is a great ambition to become an important commercial and industrial nation. The wonderful success of the Japanese in lately obtaining a sudden world-wide reputation as a remarkable military and naval Power has been to them a great incentive to do likewise in trade. They now hope to become the industrial centre of the East, and, judging by their wonderful cleverness and adaptability to all European ideas, ways, and methods, there is hardly any doubt but that they will succeed in the course of time. How far they will carry this success, and how soon they will attain it in a high degree, are interesting questions of the future. Their industrial progress, even in its present stage, has already to some extent reduced our markets for certain commodities. It may seriously menace our trade in the East in years to come.

The Japanese are essentially practical, and even as they learned the art of war by sending their young men to all the best military and naval schools of the world, so they are now about to learn the art of trade by placing some of their people in foreign countries, in industrial factories, and in commercial houses, in order to acquire a thorough knowledge of business and its European methods. Should they, by so doing, also acquire those straightforward and honest business ways which are necessary for sound and extensive trade, and thereby raise the at present sometimes low standard of commercial morality, they will indeed become a commercial nation of the first importance in the Eastern hemisphere. How far this ambitious commercial spirit is

carried may be judged from the following extract from the interesting Consular report from Tokio, for 1895 :— *

“ Commercial and industrial questions are now almost as popular subjects of treatment, both in the press and by public speakers, as the most urgent political questions, whether foreign or domestic. Among them are such matters as the extension of existing steam routes ; the results of treaty revision on trade ; insurance ; establishment of technical and commercial schools ; the training of officers and men for the mercantile marine ; improvement of chambers of commerce and of the existing system of trade guilds ; the despatch of commissioners to study commercial conditions abroad ; the establishment of a floating exhibition of Japanese products ; the effects on the trade of Japan of the opening of the Siberian Railway and Nicaragua Canal, when Japan may become one of the greatest commercial centres of the world, etc. Among public speakers are found not only officials, whose special province is trade and agriculture, merchants, and bankers, but even a naval officer of high rank has considered it not beneath his dignity to tell his countrymen that they can only become a great nation by developing trade, and that trade is as worthy of their best efforts as war.

“ Abundant evidence is given almost daily that the attention of the thinking classes is being seriously devoted to the above and kindred subjects, and, when it is remembered that a single generation ago trade in any form was considered the most degrading of pursuits, and that all engaged in it were, in the social scale, the lowest of the low, the present spirit of the people seems not to be the least of the many great changes that have come over them.

“ The cost of running regular lines of mail steamers to Australia, across the pacific to the United States, and to England is freely discussed, and it is argued that Government subsidies would now be well devoted to helping the Japanese shipping companies to bear the loss which, in early years at any rate, must attend the carrying out of such projects.”

Up to the present time it is satisfactory to learn that, in Japan, our trade has more than maintained its proportionate share. The foreign trade in 1894 was greater than ever before, and was three times as large as ten years previously. Our proportion for the British Empire was 36%, of which one-half was with Great Britain.

* No. 1658. [Foreign Office, 1896.]

It will yet be many years before the Japanese can, though backed up by the special advantages of their silver currency, become independent of all manufactures from Western nations, which is their fond hope in the enthusiasm of their present ambition. Their efforts in this direction are many. Firstly, the cotton-spinning industry of Japan has developed immensely. On January 1, 1895, there were 47 mills with about 540,000 spindles, as against 16 in 1884 with only 43,700 spindles. In January this year (1896) there were 632,130, and 352,427 more in construction or planned. By next year, 1897, one may count on there being about 1,200,000 working. It is calculated that about 700,000 spindles will supply local consumption, so that the rest will manufacture for export to China and elsewhere, where they compete with our cottons. In 1887 Japan consumed 15% of home-made cotton yarns, and 85% of foreign ones. In 1892 that country consumed 72% of locally produced yarn, and only 28% of the foreign article. The consumption per head of population had also increased from 1·9 (kin) * in 1892, to 2·4 (kin) in 1894. Cotton spinning is Japan's chief industry now: and new mills are being put up and planned. Even some woollen mills exist which manufacture blankets and shawls.

It is a curious fact that the Japanese were sent to Germany of all places—not to England, the centre of the woollen goods trade—to study the manufacture of woollen articles. It would be interesting to know why they did not come to us to learn, which would have resulted in more orders for machinery, etc., to English makers, instead of to German firms. No doubt this is another instance of German foresight and attention to small beginnings. Most probably more advantageous terms were offered to these Japanese to go to German rather than to English mills to learn textile industries.

Our importation of metals into Japan is still the principal one by far; but Belgium and Germany are fast progressing, and are advancing in some directions faster than we are. From 1884 to 1894, England more than doubled her value of imported iron and manufactures of iron, but Belgium increased her imports ten times over. In iron nails we lost ground in those 11 years, while Germany increased her share nearly tenfold. In steel we trebled our imports, but Germany, France, and Belgium did a great deal more than treble theirs. Basic steel from the Continent is to some extent supplanting British iron, because it is cheaper. And the same is the case for shafting, for dockyards, and

* 1 kin = 1½ lb.

arsenals. As a rule, where Germans take the orders, it is because their prices are lower.

In the rapidly increasing local manufactures of Japan, we have additional reason to pay every attention to our trade there. The opportunities for British enterprise—or Continental, if we are not careful—can be seen from the fact that the length of railways has increased from 422 miles in 1890 to 2,243 in 1895, that some 2,000 more are being constructed, and that 2,000 more still are said to be already surveyed. The material required will, therefore, be considerable; and we should partake largely of it. Docks, cotton mills, sugar refineries, etc., offer unusual openings for British exporters.

In 1893 Japan possessed 680 steamers of 110,200 tons; at the end of 1894 she had 1,017 steamships. She has many more now. There are said to be 65 ship-building yards, which turn out excellent work.

Such figures give some idea of the commercial possibilities of the Japanese Empire. It appears that her mercantile marine has about doubled since the war with China, and that her tonnage is now about 300,000 for merchant vessels. Previous to 1869, foreign ships could not be owned by individuals. In March, 1896, a monthly service of Japanese steamers to European ports was opened under large Government subsidies. Lines to San Francisco, India, Antwerp, and London have been started.

One factor that has largely operated to help Japanese industries is the fall in silver, for it has made the difference in price in favour of their own manufactures larger than before. The cost of production is also favoured by a plentiful coal supply (amounting to over 3 million tons in 1893) and very low wages. These advantages, combined with the promptitude of the Japanese to take advantage of all trade openings and to learn all things pertaining to commerce, are the causes of a remarkable advance in all directions.

It is probable that our total imports will go on increasing largely in spite of developing local manufacture; for what will be lost to us in textiles will be made up for in an increased demand for other kinds of British produce, such as machines, metal products, and, for a time, perhaps, for merchant ships until the yards of Japan (mentioned above) can supply all their local requirements. And for men-of-war no doubt it will be long before the orders quite cease to come to England and Germany. Of the 19 vessels built for the Japanese navy since 1885

(up to May, 1896) 12 were constructed in Japan, not to speak of many torpedo boats.

The following tables are compiled from the official yearly statistical returns of the foreign trade of Japan, from 1888 to 1895, which are in my possession; and they give an interesting insight into the rise of that country as a commercial nation. Our trade to the East is here only considered as regards Japan and China, for the limits of this little volume do not permit of a more extended inquiry. Moreover, the statistics elaborated in the foregoing chapters are necessarily dry reading; and further figures for other States would unduly weary the reader, already overburdened with statistical data essential to the object of this book.

No. 78. TRADE OF JAPAN, 1880 TO 1895.

YEARS.	IMPORTS IN 1000 YEN.*			EXPORTS IN 1000 YEN.		
	Foreign.	Japanese.	Total.	Foreign.	Japanese.	Total.
	Yen.	Yen.	Yen.	Yen.	Yen.	Yen.
1880	36,620	6	36,626	444	27,950	28,395
1885	29,327	29	29,356	999	36,146	37,146
1890	81,670	58	81,728	811	55,791	56,603
1895	129,083	177	129,260	1,121	134,991	136,112
+ or - '95 v. '85 . .	+ 99,756	+ 148	+ 99,904	+ 122	+ 98,845	+ 98,966
+ or - % "	+ 340	+ 510	+ 341	+ 12	+ 272	+ 270
+ or - '95 v. '90 . .	+ 47,413	+ 119	+ 47,532	+ 310	+ 79,200	+ 79,509
+ or - % "	+ 58	+ 205	+ 58	+ 38	+ 144	+ 144

* Since 1888, silver yen: prior to that year it comprised gold and silver. Silver yen = 2s. 1d. in 1895; = one dollar.

The most noticeable feature here is the rapid progress throughout the period 1885 to 1895, and especially its continuance from 1890 to 1895, when compared with the retrograde movement in many European countries in the latter 5 years and with the small comparative advance in the 11 years for others. Total imports rose from 1885 to 1895 by 99,904,000 yen, or 341%, and exports by 98,966,000, or 270%. The foreign imports rose 340%, or by 99,756,000 yen, representing a volume three and a half times larger than eleven years ago. The industrial rise of the Japanese Empire is shown by the greatly increased exports of Japanese origin of 98,445,000, or an advance of 272% for the period, without including the vastly increased supply of local demand, especially in textiles.

I now state the imports from and exports to all countries (exceeding

1,000,000 yen, for the value of their imports), in order of their 1895 importance. Anam and other parts of French India (grouped together in Japanese statistics) imported to a value of 3·3 million yen in that year; but, as their 1889 figures do not exist, they are omitted here. I pick out the year 1889 to compare with 1895, so that the comparison of German trade with that of other nations should be absolutely correct by being subsequent to the Hanse Towns alterations * in the statistics of the German Empire.

NO. 79. IMPORTS AND EXPORTS OF JAPAN, IN MILLION SILVER YEN, 1889 TO 1895.

1895 import- ance.	COUNTRIES.	IMPORTS.				EXPORTS.			
		1889.	1895.	+ or - '95 v. '89.	+ or - % '95 v. '89.	1889.	1895.	+ or - '95 v. '89.	+ or - % '95 v. '89.
		Yen.	Yen.	Yen.	Per cent.	Yen.	Yen.	Yen.	Per cent.
1.	Great Britain . . .	26·0	45·1	+ 19·1	+ 73	7·6	7·8	+ 0·2	+ 2½
2.	China	9·1	22·9	+ 13·8	+ 151	5·4	9·1	+ 3·7	+ 68½
3.	Germany	4·8	12·2	+ 7·4	+ 154	1·6	3·3	+ 1·7	+ 106
4.	British India . . .	7·3	12·0	+ 4·7	+ 64	1·3	4·3	+ 3·0	+ 230
5.	United States . . .	6·1	9·2	+ 3·1	+ 56	25·2	54·0	+ 28·8	+ 114
6.	Hong Kong	4·1	8·0	+ 3·9	+ 95	7·3	18·3	+ 11·0	+ 150
7.	France	3·3	5·1	+ 1·8	+ 54	14·2	22·0	+ 7·8	+ 55
8.	Corea	1·2	2·9	+ 1·7	+ 141	0·1	3·8	+ 2·8	+ 240
9.	Belgium	0·8	2·0	+ 1·2	+ 150	0·07	0·1	+ 0·03	+ 43
10.	Russian Territories .	0·5	1·3	+ 0·8	+ 160	0·4	1·2	+ 0·8	+ 200
11.	Philippines	0·2	1·2	+ 1·0	+ 500	0·02	0·1	+ 0·08	+ 400
12.	Switzerland	0·7	1·0	+ 0·3	+ 43	0·1	0·4	+ 0·3	+ 300
13.	Australia	0·2	1·0	+ 0·8	+ 400	0·4	1·2	+ 0·8	+ 200

Nowhere does one find a minus sign; and most of the increases are very large indeed, both in value and percentage. In increased nett value of imports for the 7 years, we stand first, with 19·1 million yen (being an advance of 73%); China 2nd, with 13·8 (151%); Germany 3rd, with 7·4 (154%); British India 4th, with 4·7 (64%); Hong Kong 5th, with 3·9 (95%); and the United States with 3·9 (95%). Our position, therefore, is most satisfactory at present. But over-confidence in our undoubted commercial supremacy in Japan must not ever be allowed—as it has sometimes done elsewhere in the past—to cause us to neglect in any single detail commercial facilities which might further unduly assist foreign competition at our expense. Germany, for instance, in 1895 held a third place on the list of importing countries, whereas she only stood 5th in 1889. Her imports in that

* See p. 10.

interval rose from 4·8 to 12·2 million yen. Her nett increased value of 7·4 was very large when compared with 19·1 millions on a trade almost four times as large as hers, and representing for her an increase of 154% *versus* our 73 since 1889. Comparing our volume of imports to Germany's in those years, hers in 1889 was less than one-fifth of the value of ours; in 1895, however, it had risen to over one-fourth. This is the more noticeable, as France and Belgium have not changed their places on the list, being still 7th and 9th respectively, and as the United States have gone down one place from 4th to 5th. Germany's consumption of Japanese exports has in the same period developed 106%, or by 1·7 million yen, as compared with our 2 $\frac{2}{3}$ %, or 0·2 millions.

On considering exports, we find that the Japanese have increased their trade chiefly to the United States by 28·8 million yen (114%); by 11·0 (150%) to Hong Kong; by 7·8 (55%) to France; by 3·7 (68%) to China; and by 3·0 (230%) to British India.

A table of the principal exports from Japan competing with ours is now given.

NO. 80. SOME EXPORTS OF JAPANESE PRODUCE AND MANUFACTURE, 1889 TO 1895.

DESCRIPTION.	QUANTITY OR VALUE.	1889.	1895.	+ or - '95 v. '89.	+ or - % '95 v. '89.
					Per cent.
Coal {	Quantity in 1000 tons .	1,053	1,844	+ 791	+ 75
	Value in 1000 yen . .	4,346	7,604	+ 3,258	+ 74
All metals and manu- factures {	Value in 1000 yen . .	3,403	6,538	+ 3,135	+ 91
	Quantity in 1000 catties	6	44	+ 38	+ 650
Iron, nails, wire, etc. {	Value in 1000 yen . .	(under 1)	98	+ 98	—
	Value in 1000 yen . .	3,267	22,177	+ 18,910	+ 590
All textiles {	Value in 1000 yen . .	168	3,619	+ 3,451	+ 2,154
	Value in 1000 yen . .				

The advances everywhere are enormous for the 7 years; that for all textiles is 18,910,000 yen, or 590%, and for cotton goods alone 3,451,000, or 2,154%. In 1889 only 168,000 yen worth of the latter were exported, as contrasted with a value of 3,619,000 in 1895. In Osaka there exist not only cotton mills but also silk, wool, jute, hemp, paper, carpet, and other factories, the produce of which competes now with foreign similar goods. The value of all metals and their manufactures rose 91%, or from 3,403,000 to 6,538,000 yen. 1,053,000 tons

of coal were exported in 1889; this had increased to 1,844,000 in 1895. It has been estimated that about one-half of the coal production of Japan is exported; and large quantities have been sent as far away as San Francisco.

Imports will now be briefly examined as regards textiles and metals.

No. 81. PRINCIPAL IMPORTS OF TEXTILES IN 1000 YDS., 1889 TO 1895.

DESCRIPTION.	TOTAL IMPORTS.			GREAT BRITAIN.		GERMANY.	
	1889.	1895.	+ or - '95 v. '89	1889.	1895.	1889.	1895.
	Yards.	Yards.	Yards.	Yards.	Yards.	Yards.	Yards.
Blankets (<i>in catties</i>) . . .	1,414	1,911	* 497	1,385	1,887	19	22
Cottons printed . . .	5,769	3,785	- 1,985	5,404	3,776	—	—
Cotton drills . . .	1,329	3,693	+ 2,364	1,315	3,678	—	—
„ satins (under 40 inches) . . .	1,753	4,567	+ 2,814	1,750	4,526	2	37
„ velvets . . .	2,331	2,209	- 122	2,298	2,197	32	12
„ yarn . . .	42,810	14,591	- 28,219	18,658	13,247	(under 1)	1½
Flannels . . .	3,434	2,715	- 719	443	341	2,942	2,371
Mousseline de laine *	13,918	20,333	+ 6,415	10	118	1,187	762
Shirtings, grey . . .	36,267	46,082	+ 9,815	36,267	45,991	—	—
„ white . . .	2,618	5,394	+ 2,776	2,617	5,363	(under 1)	30
„ dyed . . .	2,467	265	- 2,202	2,461	265	—	—
Table-cloths . . .	5,592	2,945	- 2,647	5,330	2,879	—	—
Turkey reds . . .	9,158	5,261	- 3,897	8,956	5,131	18	—
Woollen cloths . . .	450	2,015	+ 1,565	303	1,416	114	576
„ part wool . . .	521	312	- 209	516	295	5	15
Woollen yarn . . .	224	889	+ 665	59	59	150	823

* Almost entirely from France, 12,584,000 yards in 1889, and 19,209,000 in 1895.

There are, it will be seen, a number of decreases in the importation in our chief manufactures, which are principally due to local production of late years, and to increased imports of British Indian textiles. The figures for Germany are attached to ours. They show that, except for articles containing wool (in which Germans are largely cutting us out and are monopolising certain branches), we have not much to fear from them at present. In 1889, 33% of the total consumption of yarn in Japan was of domestic manufacture, leaving 67% to foreign importations; but by 1890 the former had risen to 50%, and by 1892 to 72% of the whole, and this proportion has gone on increasing ever since.

In metals it is different; we see considerable German competition,

especially in bar and rod iron (quadrupled from 1889 to 1895); nails, in which they have almost a monopoly (for their imports were ten times as large as ours in 1895); iron wire, telegraph wire, zinc sheets, and steel.

No. 82. PRINCIPAL METAL IMPORTS, IN 1000 CATTIES,
1889 TO 1895.

DESCRIPTION.	TOTAL QUANTITIES.			GREAT BRITAIN.		GERMANY.	
	1889.	1895.	+ or - '95 v. '89	1889.	1895.	1889.	1895.
	Catties.	Catties.	Catties.	Catties.	Catties.	Catties.	Catties.
Iron, bars and rod	34,776	73,639	+	38,863	24,845	28,641	2,605
„ nails	19,584	24,274	+	4,690	4,838	2,129	12,072
„ pig	16,345	58,859	+	42,514	12,322	56,221	3,989
„ plates and sheets	10,935	27,497	+	16,562	9,812	21,135	293
„ wire	1,583	2,530	+	947	357	270	1,119
Rails	41,164	43,304	+	2,140	34,540	41,122	2,180
Steel	5,712	6,919	+	1,207	3,638	4,815	400
Telegraph wire	898	4,081	+	3,183	114	869	770
Zinc sheets	959	1,652	+	693	334	367	450
	Yen.*	Yen.	Yen.	Yen.	Yen.	Yen.	Yen.
Iron screws	87,900	106,780	+	18,880	86,149	97,695	685
„ pipes and tubes	203,109	604,753	+	401,644	191,315	464,433	7,467
Machinery, spinning	870,531	1,896,195	+	1,025,664	773,457	1,825,920	33,916
Steam boilers and engines	632,882	431,925	-	200,957	578,181	282,746	23
Locomotive engines	284	1,163	+	879	256	761	?

* Values in 1000 silver yen.

The only falling-off in importation is in steam engines and boilers. In spinning machinery the advance is, of course, great.

A report by Mr. Lowther, Secretary of Legation at Tokio in 1896, called attention to the vital necessity of English manufacturers of railway material making every effort to advance their interests, as hitherto we had practically had a monopoly for rails, locomotives, rolling stock, etc. He notes that leading American firms, to whom the orders largely go, are well represented in Japan. It is "not so with our English firms, only some of the most important of which have agents."

I will now specify some of the commodities in which particular countries predominate in the import trade of Japan in 1895.

The imports of Germany were larger than ours in the following special articles: alcohol (4,891,000 catties * to our 2,000), alzarine dyes (all 105,000 catties), aniline dyes (686,000 to our 2,800), subnitrate of bismuth (38,000 to 6,000), clocks (70,000 to 24), flannels (2,371,000 to

* Catties where not otherwise specified.

341,000 yards), iron nails (20,032,000 to 2,129,000), iron wire (1,901,000 to 270,000), extract of logwood (396,000 to 27,000), mousseline de laine (762,000 to 118,000), salicylic acid (all), sugar (7,632,000 to 50,000), telegraph wire (2,514,000 to 869,000), watches (9,002 to 704), wine (50,447 to 215 gallons), woollen yarn (823,000 to 59 cattie), zinc (1,252,000 to 367,000), zinc sheets (3,283,000 to 1,319,000). In the matter of steam vessels, Japan in 1895 purchased 27 from England (value 3,493,423 silver yen) and 9 from Germany (value 952,753 yen).

The United States surpassed our imports in the following commodities; butter (98,000 to 3,000), cigarettes (220,580 silver yen to 38,810), condensed milk (28,000 to 10,000 dozen), cotton ducks (397,000 to 1,000 yards), flour (10,400,000 to 2,000), kerosene oil (all, 23,791,000 gallons), sole leather (675,000 to 526,000 from British India only), paraffine wax (1,526,000 to 369,000).

France exceeded our import trade in—butter (43,000 to 3,798), candles (390,000 to 79,000), extract of logwood (541,000 to 27,000), mousseline de laine (19,209,000 to 118,000 yards), watches (9,358 to 704), wine (420,000 to 215 gallons).

Our imports were less than those of Belgium in the following particulars:—candles (436,000 to 79,000), iron bar and rod (35,512,000 to 28,641,000), iron wire (354,000 to 270,000), window glass (77,000 to 29,000).

A treaty of commerce and navigation was signed by us with Japan on July 16, 1894, and was ratified in August of that year,* but it is not to take effect until at least 5 years after its signature. A supplementary convention was effected in July, 1895, and was ratified in November of the same year.† A similar treaty, based on ours of 1894, was completed with Germany, and signed on April 4, 1896, at Berlin, but with certain modifications, see appendix, Annex No. 12 (p. 202). Up to that time their commercial relations with Japan had been regulated upon the basis merely of the most-favoured-nation clause. On April 17, 1895, the treaty of peace with China was concluded; and the following are the remarks of Mr. Hall, H.B.M. Consul at Hakodate, on its provisions and probable effects commercially.

“The event of the year which is likely to have most influence on the future of trade was the insertion of what are known as the commercial clauses in the treaty of peace concluded with China at Shimonoseki.

* No. 23, 1894, Treaty Series. [Price 1*d.* Eyre and Spottiswoode.]

† No. 2, 1896, Treaty Series. [Price ½*d.* Eyre and Spottiswoode.]

By Clause VI. of that treaty four new ports in China were opened; the right of steam navigation on the Woosung river and canal as well as on the Upper Yang-tse was secured, and last, but not least, it was stipulated that the Japanese established at the open ports and towns of China shall have the right to engage in industries and manufactures therein. These privileges, by virtue of the most-favoured-nation clause in the several treaties, are won for all the other foreign Powers as well as for Japan. The British and other foreign merchants in China were not slow to avail themselves of the newly acquired right of manufacturing. Within four months from the publication of the treaty four companies for working cotton mills were started in Shanghai, and two for the same purpose by Japanese capitalists of Osaka. Another curious result of this clause in the treaty of Shimonoseki was the sudden silencing of the Eastern Bimetallic League. The members thereof are giving up the uphill struggle they had so strenuously engaged in, and are not now so anxious to get the difference removed. The extent of this new cotton manufacturing industry in China will not be very great at first, but it will grow, and Manchester, severely as it has suffered hitherto, will have a harder fight than ever to make its factories pay."

Another important provision of that treaty was for a new commercial treaty with Japan, which, however, was not finally signed till the 21st of July, 1896, its most important provisions being as follows:—

"1. The most-favoured-nation clause in favour of Japan, but not reciprocal in favour of China.

"2. The maintenance of Japanese extra-territorial jurisdiction in China, while Chinese subjects in Japan are to be under Japanese jurisdiction.

"3. Japanese residents in China are allowed to lease or buy lands and houses in all the open cities and ports of China within certain fixed areas, but there is no corresponding stipulation in favour of Chinese residents in Japan.

"4. Japanese may freely engage in manufactures at all the open cities and ports of China; but the question whether China shall be allowed to levy a tax equivalent to the import duty on the same class of goods introduced from abroad is left to be determined in accordance with the treaty of Shimonoseki.

"5. The same Customs duties and transit taxes will be paid by Japanese as are paid by the subjects or citizens of the most-favoured nation."

The war between Japan and China appears not to have altered the commercial situation as regards Great Britain much, except in so far as it has given a spur to the Japanese ambition of establishing lines of steamers in all directions.

Comparing Japanese and Chinese trade in 1885 and 1894, we see that in the former year China enjoyed a commerce nearly four times as large as that of Japan. But in the latter year it was not even twice as large in value. In 1885 Japanese and Chinese imports were as 1 to 4; by 1894 they had become as 1 to 2. Their exports were, in the former year, 1 to 3; by the latter year, they had become as 3 to 5. This shows how much more important to us the developing trade of Japan is to that of China, at the present time, as regards the new opportunities it offers for increased trade. It is for this reason that Japanese commerce has been examined here in some detail, whereas I add but little on that of China.

There is a great probability that China will soon become an important manufacturing country, in consequence of the right to import machinery (one result of the Shimonoseki Treaty of April 17, 1895) and of the decided advantages afforded by the fall in the gold price of silver, thereby making labour and raw material particularly cheap for foreigners starting manufactures. Three British companies and one German have already been started at Shanghai, and will have 40,000 spindles working soon, in addition to those of already existing factories. The appreciation of the silver cost of European goods has tended to reduce their consumption, while acting as a bonus on local manufacture of similar commodities. The importation of metals has suffered particularly from this cause.

Mr. Beaucherk, Secretary of Legation at Peking, stated in a report of 1894 that the trade conducted by foreigners in China had made but little progress during the ten years, 1882-91, and that it did not promise any immediate considerable advance.

The foreign trade of China has doubled from 1885 to 1895 (from 155 to 314 million taels); but, if sterling values for those two years are compared, the increase is only one-fourth, owing to the gold value of the Haikwan Tael having fallen from 5*s.* 3½*d.* to 3*s.* 3¼*d.* Our share of that trade in the latter year was 44½ millions, or £7,250,000, about 14% of the whole; that of Hong Kong was £23,500,000, and that of India £3,250,000. China's trade with the British Empire amounted to £35,250,000; that with all other countries to £18,000,000. So that our share for the British Empire was about 69% of the whole.

The excellent report for 1895 on Chinese trade by Mr. Grant Duff, Secretary to our Legation there, should be consulted on the status of our commerce in China. From it I merely take the following extract, which so strongly again represents the defectiveness of some English business methods, and the necessity of their amelioration, if we are to compete with other nations on equal terms.

"It is satisfactory to find that British trade in China has shared in the general prosperity. Foreign competition is, no doubt, a very real fact, but, as Her Majesty's Consul at Shanghai points out in his trade report for 1895, foreign competition is chiefly to be feared in the case of the minor articles of trade, such as matches, needles, etc. In the case of the major staples our position is as good as ever. Indeed, it is an improving one. Her Majesty's Consul, in the report above referred to, states that German merchants have had greater success than the British in securing contracts for arms and military stores to be supplied to the Chinese Government, but it may often happen that such contracts are placed in England."

"At the same time it must be admitted that British men of business do not appear to grasp the situation in China. They are too much inclined to wait till the Chinese approach them, whereas traders of other nations more wisely follow the example of Mahomet with regard to the mountain. Our commercial interests in this Empire far exceed those of any other nation, but great as our position is, it will be speedily undermined by our many rivals if we do not reform our business methods. To take one instance. It is a remarkable fact that several of the most important British firms employ non-British subjects as agents in China, yet it is obvious that a British firm which is represented by a person not of British nationality is placed at a disadvantage when competing with firms of other countries which employ their own nationals as agents."

The competition, both in China and Japan, will yearly become more menacing; and it is of the utmost importance that our mercantile community should without delay take such steps as are possible to prevent our now numerous competitors from succeeding in obtaining over us undue advantages commercially in the East, as they have undoubtedly done on some occasions in the past.

On reviewing, therefore, trade in the East, we see special chances in the future of extending our trade to Japan and China which must not be cavalierly neglected because of our present great preponderance

there. The extent of clever foreign competition is becoming every day more serious, though small in amount so far, when compared with our interests. Consequently we cannot possibly be too watchful or careful in counteracting the advance of our commercial rivals by every known and conceivable trade device, and by a renewed activity in every form of commercial enterprise. Though, formerly, we were perhaps able to dispense with modern innovations in methods and in minute attention to the smallest details, we can afford to do so no longer. The present necessities of our great commerce imperatively demand a new and close study of the minutæ of "Education," "Production," and "Distribution," on which the extent of our future commercial supremacy must inevitably depend.

In conclusion, let the reader remember that my object in compiling this work has been merely to place before the vast mercantile community such information as I have been able to acquire by diligent research in many quarters of the world, in the earnest hope that it may be of slight assistance in elucidating some of the points of the great commercial controversies of the present day, and in affording to the British Public useful facts and figures concerning the immense commerce of the British Empire.

APPENDIX.

ANNEX No. 1.

INDEX TO TABLES (WITH PAGES) IN THE NINE CHAPTERS.

Page.	No. of Table.	CONTENTS.
11	1	Comparison in £1000 of total imports of European countries, 1885-94.
12	2	" " imports for home consumption of European countries, 1885-94.
12	3	" " total exports of European countries, 1885-94.
13	4	" " of exports of domestic produce of European countries, 1885-94.
15	5	Imports for home consumption of non-European countries, 1885-94.
16	6	Exports of domestic produce of non-European countries, 1885-94.
17	7	Values and percentages of manufactures from foreign countries, 1885-94.
20	8	Comparison of exports of domestic produce from England and Germany, 1885-94.
20	9	England's percentages (for home consumption) of European countries for her imports there of British origin, 1885-94.
21	10	Germany's percentages of the imports (for home consumption) of European countries for her imports there of German origin, 1885-94.
22	11	England and Germany compared in European countries, 1885-94 (values and percentages).
23	12	" " " in non-European countries, 1885-94 (values and percentages).
24	13	" " " Exports of domestic produce to 14 European States, 1890-95.
24	14	" " " Exports of domestic produce to 15 non-European States, 1890-95.
25	15	Exports of British produce to Germany, Belgium, France, and United States, 1885-95.
25	16	Exports of German produce to England, Belgium, France, and United States, 1885-95.
26	17	England and Germany.—Exports of domestic produce from each compared for each year from 1885 to 1895.
27	18	England and Germany.—Their exports of domestic produce to each other compared, 1885 to 1895.
50	19	Egyptian trade (general).—Imports 1886-95, total and British compared.
51	20	" " " of textiles, 1890-94, 6 countries compared.
51	21	" " " of cotton and wool tissues, 1890-94, 4 countries compared.
52	22	" " " of metals and machinery, 1890-94, 5 countries compared.
52	23	" " " of iron and steel, etc., 1890-94, 4 countries compared.

Page.	No. of Table.	CONTENTS.
54	24	Egyptian trade (general).—Origin of materials for railways, 1894-95, from 7 countries.
62	25	Foreign trade of Great Britain, 1875 to 1895; and analysis.
63	26	Proportion of total trade per head of population, 1885-95.
64	27	Exports of British produce and manufactures, 1875 to 1895; and analysis.
64	28	Exports of foreign and colonial merchandise from England, 1875-95; and analysis.
66	29	Totals of British trade with 27 foreign nations, 1875-95; and analysis.
68	30	Total imports into England from Germany, Belgium, France, and United States, 1885-95.
68	31	Total exports from England into Germany, Belgium, France, and United States, 1885-95.
70	32	Total exports of British produce to 27 countries, 1875-95; and analysis.
71	33	Value and percentages of British export trade to Germany, 1880-95.
72	34	" " " " France, "
72	35	" " " " Belgium, "
73	36	" " " " United States, "
74	37	Exports of principal British manufactures, 1885 and 1895 compared.
76	38	Our total trade with British possessions, 1875-95; and analysis.
78	39	Imports from 10 British possessions, 1875-95; and analysis.
78	40	Exports to " " " " "
80	41	Exports of British origin to 10 colonies, 1875-95; and analysis.
89	42	Total imports of merchandise into British India, 1885-95; and analysis.
90	43	Comparison of chief imports into India from England, Germany, and Belgium, 1885-95.
91	44	Imports of iron and steel into India from England, Germany, and Belgium, 1885-95.
94	45	Comparison of exportation of textiles from England, quinquennial periods, 1865-9 and 1890.
95	46	Comparison of exportation of textiles from England, quinquennial periods, 1885-9 and 1890-4.
96	47	Comparison of importation of woollens, quinquennial periods.
100	48	Imports of raw cotton into England, 1885-95.
101	49	English trade in cotton yarn, 1885-95.
101	50	" manufactured cottons, piece goods, 1885-95.
102	51	" in cottons of all kinds, 1885-95.
102	52	Distribution in the world of British cotton manufactures, 1885-95.
109	53	England.—Production of coal and pig iron, 1875-95.
110	54	" " metals from British ores, 1855-94.
110	55	" Exportation of iron and coal, comparing 1865-9 and 1890-4.
111	56	" " pig, railroad iron, and tinued plates, 1885-9 and 1890-4.
111	57	" " metals and their manufactures, 1865-95.
113	58	" " machinery, iron (wrought and unwrought), 1885-95.
113	59	" " implements, tools, hardware, and cutlery, 1885-95.
118	60	Production of pig iron in England, Germany, and United States, compared, 1870-95.
119	61	Russia.—Importation into of iron from 3 countries, 1890-94.
121	62	England.—Exportation of agricultural machinery, 1885-95.
122	63	Germany.—Comparison of trade for metals in raw material and manufactures, 1886-95.
123	64	" Exports of manufactures of iron, 1886-95.
128	65	" Comparison in trade for all raw materials for industries and all manufactures, 1886-95.
129	66	" Sixteen chief exports, 1885-95.
130	67	" Exportation of coal and coke to 8 countries, 1885-95.
131	68	" " cotton textiles, 1886-95.
131	69	" " woollen textiles, 1886-95.
132	70	" Chief miscellaneous exported manufactures, 1885-95.
132	71	" Other exports, 1886-95.
133	72	" Exports of wearing apparel, 1880-93.

Page.	No. of Table.	CONTENTS.
134	73	Germany.—Iron trade, comparison of chief classes from England and Germany, 1895.
135	74	„ Exports of domestic produce to 18 European countries, 1885-94.
136	75	„ Comparison of nett results of British and German exports of domestic produce to 14 European countries, 1890-95.
137	76	„ Exports of domestic produce to British colonies, 1885-94.
137	77	„ Comparison of nett results of British and German exports of domestic produce to 15 non-European countries, 1890-95.
143	78	Japan.—Imports and exports of Japan, 1880-95, totals, foreign and Japanese distinguished.
144	79	„ „ „ 1889-95, from and to 13 countries.
145	80	„ Exports of coal, metals, and textiles, 1889-95.
146	81	„ Principal imports of textiles, 1889-95, Great Britain, Germany, and total.
147	82	„ „ „ metals, 1889-95, Great Britain, Germany, and total.

ANNEX

TOTAL IMPORTS FROM AND EXPORTS TO 27 FOREIGN

TOTAL EXPORTS, IN £1000.

Importance in 1895 for total trade.	COUNTRY.	EXPORTS FROM ENGLAND TO—				ANALYSIS.		
		1875.	1885.	1890.	1895.	+ or - '90 v. '85.	+ or - '95 v. '85.	+ or - '95 v. '90.
		£	£	£	£	£	£	£
1.	United States	25,062	31,094	46,340	44,064	+ 15,246	+ 12,973	- 2,273
2.	France	27,990	23,020	24,710	20,324	+ 1,690	- 2,696	- 4,386
3.	Germany	34,121	27,059	30,516	32,736	+ 3,457	+ 5,677	+ 2,220
4.	Holland	20,113	15,849	16,445	11,272	+ 596	- 4,577	- 5,173
5.	Russia	11,346	6,240	8,846	10,686	+ 2,606	+ 4,446	+ 1,840
6.	Belgium	13,794	13,876	13,594	11,934	- 282	- 1,942	- 1,660
7.	Spain	4,294	3,914	5,702	4,052	+ 1,788	+ 138	- 1,650
8.	Argentine Republic	2,490	4,760	8,530	5,480	+ 3,770	+ 720	- 3,050
9.	Egypt	3,036	3,701	3,459	3,414	- 242	- 287	- 45
10.	Denmark	2,756	2,254	2,928	3,135	+ 674	+ 881	+ 207
11.	Sweden	4,190	3,408	4,418	4,036	+ 1,010	+ 628	- 382
12.	Turkey	6,346	6,836	7,340	5,632	+ 504	- 1,204	- 1,708
13.	Brazil	7,172	5,611	7,795	7,643	+ 2,184	+ 2,032	- 152
14.	Italy	8,169	7,468	8,523	6,211	+ 1,055	- 1,257	- 2,312
15.	China	5,096	5,515	6,763	5,363	+ 1,248	- 152	- 1,400
16.	Chile	2,343	1,551	3,365	3,454	+ 1,814	+ 1,903	+ 89
17.	Norway	2,106	1,696	2,583	2,532	+ 887	+ 836	- 51
18.	Japan	2,593	2,298	4,187	4,772	+ 1,889	+ 2,474	+ 585
19.	Portugal	3,081	2,100	2,612	1,865	+ 512	- 235	- 747
20.	Austrian Territories	1,177	1,120	1,694	2,149	+ 574	+ 1,029	+ 455
21.	Roumania	1,163	846	1,350	944	+ 504	+ 98	- 406
22.	Java (colony)	1,753	1,585	1,486	1,762	- 99	+ 177	+ 276
23.	Central America	875	693	1,037	1,379	+ 344	+ 686	+ 342
24.	Peru	1,817	821	1,234	763	+ 413	- 58	- 471
25.	Mexico	980	866	2,012	1,655	+ 1,146	+ 789	- 357
26.	Greece	1,147	972	1,235	860	+ 263	- 112	- 375
27.	Philippines (colony)	939	979	1,031	443	+ 52	- 536	- 588

No. 2.

COUNTRIES IN THE YEARS 1875, 1885, 1890, AND 1895.

TOTAL IMPORTS, IN £1000.

Import- ance in 1895 for total trade.	COUNTRY.	IMPORTS INTO ENGLAND FROM—				ANALYSIS.		
		1875.	1885.	1890.	1895.	+ OF — '90 v. '85.	+ OF — '95 v. '85.	+ OF — '95 v. '90.
		£	£	£	£	£	£	£
1.	United States	69,590	86,478	97,283	88,548	+ 10,805	+ 70	- 10,735
2.	France	46,720	35,709	44,828	47,470	+ 9,119	+ 11,761	+ 2,642
3.	Germany	21,836	23,069	26,073	26,992	+ 3,004	+ 3,923	+ 919
4.	Holland	14,836	25,009	25,900	28,419	+ 891	+ 3,410	+ 2,519
5.	Russia	20,708	17,712	23,750	24,736	+ 6,038	+ 7,024	+ 986
6.	Belgium	14,822	15,070	17,383	17,545	+ 2,313	+ 2,475	+ 162
7.	Spain	8,660	9,464	12,508	11,314	+ 3,044	+ 1,850	- 1,194
8.	Argentine Republic	1,359	1,878	4,129	9,084	+ 2,251	+ 7,206	+ 4,955
9.	Egypt	10,895	8,818	8,368	9,524	- 450	+ 706	+ 1,156
10.	Denmark	4,241	4,829	7,753	9,799	+ 2,924	+ 4,970	+ 2,046
11.	Sweden	6,762	8,108	8,473	8,784	+ 365	+ 676	+ 311
12.	Turkey	6,555	4,680	4,816	5,751	+ 136	+ 1,071	+ 935
13.	Brazil	7,418	4,085	4,350	3,614	+ 275	- 471	- 736
14.	Italy	4,632	3,009	3,093	3,132	+ 84	+ 123	+ 39
15.	China	13,654	8,614	4,890	3,343	- 3,784	- 5,271	- 1,487
16.	Chile	4,196	2,496	3,473	3,436	+ 977	+ 940	- 37
17.	Norway	2,156	2,833	3,432	3,831	+ 599	+ 998	+ 399
18.	Japan	377	492	1,024	1,143	+ 532	+ 651	+ 119
19.	Portugal	4,444	2,670	2,942	2,491	+ 272	- 179	- 451
20.	Austrian Territories	1,318	2,157	1,728	1,221	- 429	- 936	- 507
21.	Roumania	594	2,757	4,447	2,118	+ 1,690	- 639	- 2,329
22.	Java (colony)	1,442	3,084	1,223	870	- 1,825	- 2,178	- 353
23.	Central America	1,308	1,065	1,320	976	+ 255	- 89	- 344
24.	Peru	4,884	1,884	1,053	1,371	- 831	- 513	+ 318
25.	Mexico	721	724	542	467	- 182	- 257	- 75
26.	Greece	1,762	1,912	1,962	1,241	+ 50	- 671	- 721
27.	Philippines (colony)	1,559	980	1,647	131	+ 667	- 849	- 1,516

ANNEX No. 3.

PERCENTAGES OF ENGLAND AND GERMANY COMPARED AS TO THEIR EXPORTS
OF DOMESTIC PRODUCE INTRODUCED INTO NON-EUROPEAN COUNTRIES,
1885 TO 1894.

ENGLAND'S PERCENTAGES OF THE IMPORTS (FOR HOME CONSUMPTION) OF NON-EUROPEAN
COUNTRIES FOR HER IMPORTS THERE OF BRITISH ORIGIN, 1885-94.

COUNTRY.	1885.	1890.	1894.	+ or - % '94 v. '85.
	Per cent.	Per cent.	Per cent.	Per cent.
Argentine Republic *	25½	29½	24½	- 1
Chili †	16½	22½	15½	- 1½
China	22½	20	17½	- 5
Egypt	37½	40½	42	+ ½
Japan	36½	30½	20½	- 15½
United States	18½	19½	14½	- 4½
Uruguay	26½	30½	30	+ 3½
Venezuela	10½	24½	‡ —	?

GERMANY'S PERCENTAGES OF THE IMPORTS (FOR HOME CONSUMPTION) OF NON-EUROPEAN
COUNTRIES FOR HER IMPORTS THERE OF GERMAN ORIGIN, 1885-94.

COUNTRY.	1885.	1890.	1894.	+ or - % '94 v. '85.
	Per cent.	Per cent.	Per cent.	Per cent.
Argentine Republic * §	?	4½	8	('94 v. '90) + 3½
Chile †	2	11	8	+ 6
China	3½	4½	5½	+ 1½
Egypt	1	2½	3½	+ 2½
Japan	4	7	6½	+ 2½
United States	6	13	10½	+ 3½
Uruguay §	?	5½	8	('94 v. '90) + 2½
Venezuela	?	11½	‡ —	('94 v. '90) ?

* Includes silver bullion.

† Includes bullion and specie.

‡ Figures not obtainable.

§ Argentine, Uruguay, and Paraguay classified together in 1885 in German statistics.

|| Not separate in 1885.

NOTE.—In Chili, Uruguay, the Argentine and Venezuela, it is believed that the official valuations are far too low.

ANNEX No. 4.

GERMAN EXPORTS OF DOMESTIC MERCHANDISE TO 15 COUNTRIES OUTSIDE
EUROPE, IN £1000, 1885 TO 1895.

COUNTRY.	1885.	1890.	1894.	1895.	+ or - '95 v. '90.
	£	£	£	£	£
Argentine and Patagonia . . .	?	1,305	1,510	1,804	+ 499
Brazil	662	2,012	2,850	3,746	+ 1,734
Central America	?	416	819	503	+ 87
Chile	166	1,540	1,127	2,225	+ 685
China, Hong Kong, and Macao	840	1,493	1,407	1,770	+ 277
Columbia	?	218	171	216	- 216
Ecuador	?	70	79	78	+ 8
Egypt	103	188	347	290	+ 102
Japan	229	924	853	1,303	+ 379
Mexico.	?	715	544	816	+ 101
Peru	61	419	209	268	- 151
Philippines	?	174	139	160	- 14
United States	7,756	20,834	13,534	18,421	- 2,413
Uruguay	?	390	397	429	+ 39
Venezuela	?	400	310	304	- 96

NOTE.—In column for 1885, the interrogation-mark indicates that each of those countries was not separately given, in that year, in German statistics.

ANNEX

TOTAL VALUES OF IMPORTS FROM AND EXPORTS

COUNTRIES.	1865.	1870.	1875.	1880.
	£	£	£	£
Russia — Northern { Imports	12,349,801	13,365,943	13,068,883	12,497,004
Ports . { Exports	5,675,920	8,554,271	9,624,847	9,414,306
— Southern { Imports	5,033,896	7,195,184	7,640,018	3,532,691
Ports . { Exports	504,529	1,516,328	1,721,469	1,553,211
Sweden and Nor- { Imports	5,654,056	8,590,893	8,918,638	10,989,000
way { Exports	2,483,678	3,218,171	6,296,995	5,132,408
Denmark Proper, { Imports	2,284,287	3,053,425	4,241,671	5,285,767
and Iceland . . { Exports	1,560,216	2,329,319	2,756,145	2,347,573
Danish West Indies { Imports	143,877	17,007	31,291	70,295
Exports	701,594	774,046	395,386	217,744
Germany { Imports	16,611,867	15,404,218	21,836,401	24,355,419
Exports	28,153,392	28,065,534	34,121,624	29,055,844
Holland { Imports	12,413,404	14,315,717	14,836,648	25,909,373
Exports	14,960,949	17,303,845	20,113,787	15,654,364
— Java & other Possessions in the Indian Seas . { Imports	226	259,846	1,442,607	2,236,585
Exports	931,559	902,642	1,753,517	1,767,796
Belgium { Imports	7,344,845	11,247,864	14,822,240	11,253,664
Exports	6,896,157	8,959,154	13,794,770	12,987,430
France { Imports	31,625,231	37,607,514	46,720,101	41,970,298
Exports	25,355,072	21,982,999	27,292,455	27,990,959
— Algeria . . { Imports	90,505	230,571	500,185	741,453
Exports	12,363	127,824	163,217	299,898
— Possessions in Senegambia { Imports	—	—	—	6,119
Exports	11,134	3,388	19,941	56,444
— West India Islands { Imports	43,633	64,284	53,732	137
Exports	—	—	7,332	261,867
Portugal { Imports	2,471,801	3,022,508	4,444,071	3,762,504
Exports	2,550,853	2,253,091	3,081,905	2,603,318
— Azores and Madeira { Imports	378,433	369,797	340,360	227,595
Exports	163,248	193,126	233,262	147,733
Spain { Imports	4,769,277	6,067,018	8,660,953	10,699,936
Exports	3,015,458	3,113,751	4,294,490	4,078,597
— Canary Islands { Imports	239,394	431,797	424,459	428,320
Exports	216,513	250,356	216,552	257,681
— Fernando Po. { Imports	28,648	36,905	27,567	13,923
Exports	11,208	23,012	7,813	8,429
— West India Islands { Imports	5,063,839	5,362,339	3,668,776	1,752,635
Exports	2,327,802	2,820,411	2,997,722	2,291,858
— Philippine Islands { Imports	1,253,904	1,197,945	1,559,500	1,688,663
Exports	980,604	786,376	939,983	1,328,482

* Includes British and Foreign

No. 5.

TO FOREIGN COUNTRIES, 1865 TO 1895.*

1885.	1890.	1895.	COUNTRIES.
£	£	£	
10,934,926	12,358,981	13,211,128	Imports } FOREIGN.
5,295,754	7,514,795	9,370,619	Exports } Russia — Northern Ports.
6,777,500	11,391,887	11,525,791	Imports } ——— Southern Ports.
944,939	1,331,259	1,315,714	Exports }
10,941,590	11,906,345	12,615,983	Imports } Sweden and Norway.
5,105,502	7,002,269	6,568,778	Exports }
4,829,515	7,753,389	9,799,328	Imports } Denmark Proper, and Iceland.
2,254,089	2,928,006	3,135,122	Exports }
16,878	2,384	23,637	Imports } Danish West Indies.
115,918	118,301	61,947	Exports }
23,069,163	26,073,331	26,992,559	Imports } Germany.
27,059,830	30,516,281	32,736,651	Exports }
25,009,582	25,900,924	28,419,477	Imports } Holland.
15,849,466	16,445,992	11,272,258	Exports }
3,055,496	1,223,037	874,313	Imports { ——— Java & other Possessions in the Indian Seas.
1,778,395	1,675,054	1,988,479	Exports }
15,070,121	17,383,776	17,545,636	Imports } Belgium.
13,876,556	13,594,966	11,934,653	Exports }
35,709,787	44,828,148	47,470,583	Imports } France.
23,020,350	24,710,803	20,324,998	Exports }
885,621	890,612	549,362	Imports } ——— Algeria.
362,961	334,089	267,292	Exports }
13,237	36,132	221,704	Imports } ——— Possessions in Senegambia.
201,104	119,292	308,017	Exports }
692	108	50	Imports } ——— West India Islands.
188,040	346,790	149,129	Exports }
2,670,855	2,942,194	2,491,926	Imports } Portugal.
2,100,917	2,612,638	1,865,973	Exports }
174,474	149,778	127,252	Imports } ——— Azores and Madeira.
159,190	214,884	154,074	Exports }
9,464,627	12,508,533	11,314,518	Imports } Spain.
3,914,836	5,702,804	4,052,806	Exports }
95,684	165,396	410,103	Imports } ——— Canary Islands.
199,027	487,757	423,000	Exports }
10,435	8,839	1,020	Imports } ——— Fernando Po.
11,653	11,346	15,137	Exports }
984,976	127,873	131,567	Imports } ——— West India Islands.
2,225,979	2,909,303	1,644,214	Exports }
980,090	1,647,708	1,606,271	Imports } ——— Philippine Islands.
979,620	1,031,088	443,640	Exports }

and Colonial produce. Board of Trade figures.

M

TO FOREIGN COUNTRIES, 1865 TO 1895—*continued.*

1885.	1890.	1895.	COUNTRIES (<i>Continued.</i>)	
£	£	£		
3,009,499	3,093,918	3,132,720	Imports	Italy.
7,468,000	8,523,209	6,211,337	Exports	
2,157,570	1,728,337	1,221,783	Imports	Austrian Territories.
1,120,254	1,694,318	2,149,552	Exports	
1,912,804	1,962,798	1,241,406	Imports	Greece.
972,937	1,235,126	860,193	Exports	
2,757,926	4,447,159	2,118,505	Imports	Roumania.*
846,657	1,350,497	944,034	Exports	
4,680,637	4,816,883	5,751,537	Imports	Turkey.
6,836,407	7,340,868	5,632,932	Exports	
8,818,376	8,368,851	9,524,507	Imports	Egypt.
3,706,595	3,459,991	3,414,566	Exports	
481,357	668,034	404,400	Imports	Morocco.
562,206	762,001	765,693	Exports	
86,478,813	97,283,349	86,548,860	Imports	United States.
31,004,589	46,340,012	44,067,703	Exports	
724,847	542,979	467,331	Imports	Mexico.
866,671	2,012,562	1,635,527	Exports	
1,065,131	1,320,305	976,014	Imports	Central America.
693,074	1,037,489	1,379,570	Exports	
115,231	89,593	53,216	Imports	Haiti and St. Domingo.
371,591	547,469	372,528	Exports	
237,140	304,261	434,893	Imports	Republic of Colombia.
694,948	1,209,618	1,261,903	Exports	
226,389	308,550	53,410	Imports	Venezuela.
350,393	837,594	812,495	Exports	
150,990	72,843	117,957	Imports	Ecuador.
138,323	308,772	266,634	Exports	
4,085,209	4,350,675	3,614,155	Imports	Brazil.
5,611,857	7,795,073	7,643,739	Exports	
626,593	341,208	460,946	Imports	Uruguay.
1,443,978	2,083,494	1,385,041	Exports	
1,878,921	4,129,802	9,081,497	Imports	Argentine Republic.
4,760,678	8,530,427	5,480,848	Exports	
2,496,245	3,473,348	3,436,142	Imports	Chile.
1,551,305	3,365,824	3,454,332	Exports	
1,884,852	1,053,604	1,371,088	Imports	Peru.
821,371	1,234,846	763,519	Exports	
8,614,069	4,830,850	3,343,865	Imports	China (exclusive of Hong Kong and Macao).
5,515,918	6,761,221	5,363,536	Exports	
492,804	1,024,993	1,143,382	Imports	Japan.
2,298,705	4,187,373	4,772,829	Exports	
1,232,649	1,057,123	210,493	Imports	Western Coast of Africa.
1,206,114	1,659,078	670,512	Exports	
1,040,745	1,133,031	480,027	Imports	Other Countries.
846,553	1,187,818	1,493,825	Exports	
286,596,222	24,530,783	331,159,448	Imports	TOTAL OF FOREIGN COUNTRIES.
185,984,796	33,729,649	309,760,256	Exports	

1878, and Roumania in 1879.

ANNEX No. 6.

SPECIAL STATISTICS ON THE TRADE OF SOME FOREIGN COUNTRIES, 1875
TO 1895.

(Supplied by the courtesy of H.M.'s Consuls in the countries quoted.)

BULGARIA, DENMARK, GREECE, JAPAN, NETHERLANDS, NORWAY, MOROCCO,
PORTUGAL, SERVIA, URUGUAY.

BULGARIA, IN £1000.

VALUE OF TOTAL IMPORTS AND EXPORTS.

YEARS.	Imports.		Exports.	
	Frs.	£ sterling.	Frs.	£ sterling.
1886	64,285,809	2,257	50,404,314	2,016
1890	84,530,497	3,381	71,051,123	2,842
1895	69,020,295	2,760	77,685,546	3,107

TOTAL EXPORTS OF—

YEARS.	All manufactured articles of iron, steel, and other metals.	Textiles.
	£	£
1886	25	127
1890	1	125
1895	2	118

TOTAL IMPORTS OF—

YEARS.	All manufactured articles of iron, steel, and other metals.	Textiles.
	£	£
1886	181	949
1890	334	1,072
1895	312	902

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	Belgium.	France.	U. States.	Austria- Hungary.
	£	£	£	£	£	£
1886	731	84	25	151	21	682
1890	800	154	99	138	1	1,320
1895	610	350	64	120	5	870

DENMARK, IN £1000.

VALUE OF TOTAL IMPORTS AND EXPORTS.

YEARS.	Imports.		Exports.	
	Krona.	£ sterling.	Krona.	£ sterling.
1875	227,742,000	12,652	170,658,000	9,481
1885	249,223,000	13,845	163,261,000	9,015
1890	307,031,000	17,057	233,837,000	12,991
1895	364,039,000	20,224	268,894,000	14,939

TOTAL EXPORTS OF—

YEARS.	All manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Cotton yarn, etc.	Woollen yarn, etc.
	£	£	£	£	£
1875	138	81	122	*	*
1885	149	79	163		
1890	239	83	170		
1895	249	85	180	4	6

* No special statistics for yarn before 1895.

TOTAL IMPORTS OF—

YEARS.	All manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Cotton yarn, etc.	Woollen yarn, etc.
	£	£	£	£	£
1875	1,037	928	1059	*	*
1885	1,148	799	1007		
1890	1,488	825	1062		
1895	2,198	578	928	291	224

* No special statistics for yarn before 1895.

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	Belgium.	France.	United States.
	£	£	£	£	£
1875	3,531	4,660	190	263	117
1885	3,010	5,367	277	307	879
1890	3,753	5,528	472	386	1,186
1895	3,927	6,784	355	389	560

APPENDIX.

GREECE. IN £1000.

VALUE OF TOTAL IMPORTS AND EXPORTS.

YEARS.	Imports.		Exports.	
	Drachme.	£ sterling.	Drachme.	£ sterling.
1890	194,520,000	6,484	139,168,000	4,638
1895	202,972,000	4,613	120,912,000	2,748

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	Russia.	France.	United States.
	£	£	£	£	£
1890	1,721	221	1,380	489	146
1895	1,347	376	1,154	352	130

JAPAN, IN £1000.

VALUE OF TOTAL IMPORTS AND EXPORTS.

YEARS.	Imports.		Exports.	
	Silver yen.	£ sterling.	Silver yen.	£ sterling.
1885	29,327,498	5,918	36,138,355	6,821
1890	81,728,580	13,280	56,603,506	9,581
1895	129,260,578	13,526	136,112,177	14,624

TOTAL EXPORTS OF—

YEARS.	All manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Cotton yarn.	Woollen yarn.
	£	£	£	£	£
1890	—	44	—	—	—
1895	35	216	—	112	—

TOTAL IMPORTS OF—

YEARS.	All manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Cotton goods.	Woollen goods.
	£	£	£	£	£
1885	586	589	596	1,063	—
1890	670	634	1,141	1,613	—
1895	1,074	740	1,111	737	99

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	Belgium.	France.	United States.
	£	£	£	£	£
1890	4,325	1,114	167	628	1,117
1895	4,705	1,274	214	579	966

NETHERLANDS, IN £1000.

VALUE OF TOTAL IMPORTS AND EXPORTS.

YEARS.	Imports.		Exports.	
	Gulden.	£ sterling.	Gulden.	£ sterling.
1875	718,846,242	59,900	538,970,909	44,914
1885	1091,487,883	90,957	891,036,294	74,253
1890	1299,750,478	108,312	1087,531,906	90,628
1895	1443,839,400	120,320	1187,079,087	98,173

TOTAL EXPORTS OF—

YEARS.	All manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Cotton yarn, etc.	Woollen yarn, etc.
	£	£	£	£	£
1875	2,588	1,431	380	1,169	790
1885	5,855	1,771	318	1,827	729
1890	4,629	2,450	846	974	877
1895	5,133	2,240	876	1,247	254

TOTAL IMPORTS OF—

YEARS.	All manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Cotton yarn, etc.	Woollen yarn, etc.
	£	£	£	£	£
1875	3,335	1,004	1,067	2,220	1,209
1885	8,590	700	704	2,415	1,062
1890	6,340	728	607	2,252	871
1895	6,580	970	674	2,790	812

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	Belgium.	France.	United States.
	£	£	£	£	£
1875	20,153	13,500	8,769	1,400	1,788
1885	23,420	24,825	13,465	1,574	4,634
1890	23,636	23,724	16,265	2,016	3,203
1895	18,200	24,430	13,840 *	1,500 *	9,240 *

* Preliminary figures.

NORWAY IN £1000.

VALUE OF TOTAL IMPORTS AND EXPORTS.

YEARS.	Imports.		Exports.	
	Kroner.	£ sterling.	Kroner.	£ sterling.
1875	176,900,000	9,827	103,500,000	5,750
1885	145,600,000	8,089	101,900,000	5,663
1890	208,700,000	11,594	131,100,000	7,283
1895	222,300,000	12,350	137,300,000	7,628

TOTAL EXPORTS OF—

YEARS.	Manufactured metal articles.	Cotton goods.	Woollen goods, etc.	Cotton yarn, etc.	Woollen yarn, etc.
	£	£	£	£	£
1875	43	4½	51	46	1½
1885	160	33	75	11	3½
1890	203	74	150	9	1½
1895	182	113	171	4½	1½

TOTAL IMPORTS OF—

YEARS.	Manufactured metal articles.	Cotton goods.	Woollen goods, etc.	Cotton yarn, etc.	Woollen yarn, etc.
	£	£	£	£	£
1875	473	339	705	65	42
1885	290	242	523	80	78
1890	441	347	645	135	117
1895	636	415	726	121	129

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	Belgium.	France.	United States.
	£	£	£	£	£
1875	2,863	2,623	122	481	132
1885	2,075	2,315	142	253	409
1890	3,673	3,054	362	324	511
1895	3,570	3,255	499	246	433

MOROCCO, IN £1000.

VALUE OF TOTAL IMPORTS AND EXPORTS, IN STERLING.

YEARS.	Imports.	Exports.
	£	£
1875	1,009	1,425
1885	1,314	1,145
1890	1,695	1,525
1895	1,655	1,171

VALUE OF COTTON GOODS IMPORTED, IN STERLING.

YEARS.	Imports.
	£
1875	445
1885	507
1890	708
1895	647

VALUE IN STERLING OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	France.
	£	£	£
1875	782	0	225
1885	950	16	290
1890	993	70	432
1895	900	152	470

PORTUGAL, IN £1000.

VALUE OF TOTAL IMPORTS AND EXPORTS (SPECIE EXCLUDED).

YEARS.	Imports.		Exports.	
	Currency.	£ sterling.	Currency.	£ sterling.
1875	36,063,691,000	8,014	24,382,217,000	5,418
1885	37,175,297,000	8,261	27,079,376,000	6,017
1890	55,733,223,000	12,385	32,648,929,000	7,255
1895	50,935,000,000	11,319	38,054,000,000	8,456

EXPORTS.

YEARS.	Metals (specie excepted) and all manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Cotton yarn, etc.	Woollen yarn, etc.
	£	£	£	£	£
1875	60	84	7.3	0.60	Nil
1885	34	20	5.7	0.45	..
1890	40	26	11.5	0.37	..
1895	52	199	20.8	0.47	..

TOTAL IMPORTS.

YEARS.	Metals (specie excepted) and all manufactured articles of iron, steel, and other metals.	Cotton Goods.	Woollen goods.	Cotton yarn, etc.	Woollen yarn, etc.
	£	£	£	£	£
1875	661	903	527	80	1.5
1885	546	646	364	51	3.3
1890	686	699	463	73	11.4
1895	854	465	234	76	10.5

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	Belgium.	France.	United States.
	£	£	£	£	£
1875	4,091	181	78	1,314	512
1885	2,586	834	131	996	1,028
1890	3,696	1,590	603	1,628	1,182
1895		Not yet published.			

SERVIA, IN £1000.

VALUE OF TOTAL IMPORTS AND EXPORTS.

YEARS.	Imports.		Exports.	
	Dinars.	£ sterling.	Dinars.	£ sterling.
1874	31,050,000	1,242	34,750,000	1,390
1885	40,472,975	1,618	37,615,299	1,504
1890	38,042,500	1,521	45,840,000	1,833
1895	38,217,500	1,129	43,890,000	1,735

TOTAL IMPORTS OF—

YEARS.	All manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Cotton yarn, etc.	Woollen yarn, etc.
	£	£	£	£	£
1874	—	—	—	—	—
1885	72	120	59	83	7
1890	77	60	77	125	22
1895	50	86	59	59	17

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	Belgium.	France.	United States.
	£	£	£	£	£
1874	—	—	—	—	—
1885	136	91	—	7	—
1890	195	114	8	10	—
1895	27	77	7	14	—

URUGUAY IN £1000.

VALUE OF TOTAL IMPORTS AND EXPORTS.

YEARS.	Imports.		Exports.	
	Currency.	£ sterling.	Currency.	£ sterling.
1875	12,431,000	2,645	12,693	2,700
1885	25,275,000	5,377	25,253	5,373
1890	32,394,000	6,892	29,085	6,188
1895	25,386,000	5,401	32,543	6,924

TOTAL IMPORTS OF—

YEARS.	All manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Cotton garments.	Woollen garments.
	£	£	£	£	£
1875	578	566	251	Nil.	Nil.
1885	1,294	624	187	"	"
1890	1,846	1,846	802	"	"
1895	1,370	1,033	293	"	"

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	Belgium.	France.	United States.
	£	£	£	£	£
1875	529	127	100	617	178
1885	1,570	484	174	893	435
1890	1,872	600	318	1,085	520
1895	1,678	631	300	506	374

ANNEX No. 7.

SPECIAL STATISTICS ON THE TRADE OF BRITISH COLONIES, 1875 TO 1895.

(From Colonial Statistics, and supplied by the courtesy of the Agents-General of these Colonies in London).

CAPE COLONY, NATAL, NEW SOUTH WALES, NEW ZEALAND, QUEENSLAND, SOUTH AUSTRALIA : SHOWING GERMAN IMPORTS.

CAPE COLONY, IN £1000.

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Value of total imports.	Value of total exports.	Great Britain.	Germany.	France.	Belgium.	United States.
	£	£	£	£	£	£	£
1875	5,731	4,207	4,712	6	14	Not stated.	126
1885	4,772	5,811	3,759	48	Nil.	12	127
1890	9,366	10,152	7,825	164	67	3	274
1895	13,612	16,798	10,427	772	42	123	867

TOTAL VALUE OF IMPORTS OF—

YEARS.	Manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.
	£	£	£
1875	383	502	259
1885	191	419	150
1890	572	696	366
1895	690	1,029	351

TOTAL VALUE OF EXPORTS TO—

YEARS.	Great Britain.	Germany.	France.	Belgium.	United States.
		£	£	£	£
1875	5,364	18	—	Not stated.	168
1885	8,451	58	(779)	12	84
1890	9,707	97	1	(757)	98
1895	16,316	55	22	6	120

VALUE OF GERMAN IMPORTS OF, IN £ (NOT £1000).

YEARS.	Cotton goods.	Woollen goods.	Hardware.	Machinery.	Silk goods.
	£	£	£	£	£
1875	—	—	—	—	—
1885	1,329	34	110	263	5
1890	5,674	1,742	Not stated.	2,202	34
1895	17,765	1,807	78,484	40,919	49

NEW SOUTH WALES IN 1900.

TABLE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	France.	Australia.	Japan.	Belgium.	United States.
1875	£ 200	£ 5	£ 500	—	—	£ 5	£ 10
1885	£ 500	£ 5	£ 500	£ 5	—	—	£ 5
1890	£ 1,000	£ 5	£ 500	£ 100	—	—	£ 50
1900	£ 1,500	£ 10	£ 500	£ 10	—	£ 5	£ 100

TOTAL IMPORTS OF—

YEARS.	Manufactures articles of wool, steel, iron, glass, &c.	Woolen goods.
1875	£ 10	£ 10
1885	£ 10	£ 10
1890	£ 10	£ 10
1900	£ 10	£ 10

NEW SOUTH WALES IN 1900.

TABLE OF TOTAL IMPORTS FROM—

YEARS.	Great Britain.	Germany.	France.	Australia.	Japan.	Belgium.	United States.
1875	£ 13,735	£ 13,797	£ 6,002	Nil	Nil	Nil	£ 204
1885	23,737	16,750	11,586	373	345	195	1,009
1890	22,615	22,046	8,025	639	118	151	859
1900	15,502	21,535	6,420	426	77	150	624

TOTAL VALUE OF EXPORTS TO—

YEARS.	Great Britain.	Germany.	France.	Belgium.	United States.
1875	£ 6,375	Nil.	Nil.	Nil.	£ 148
1885	7,293	30	142	400	986
1890	6,023	404	234	1,012	1,300
1900	9,371	1,142	1,486	781	684

NEW ZEALAND, IN £1000.

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Value of total imports.	Value of total exports.	Great Britain.	Germany.	France.	Belgium.	United States.
	£	£	£	£	£	£	£
1875	8,029	5,828	5,103	3	(£471 only)	Nil.	213
1885	7,479	6,819	5,227	16	7	(£456 only)	401
1890	6,260	9,811	4,221	50	5	5	355
1895	6,400	8,550	3,992	78	12	16	394

TOTAL IMPORTS OF—

YEARS.	Manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Drapers.	Haberdashery.	Hosiery.	Linen manufacturers.
	£	£	£	£	£	£	£
1875			Not summarised				
1885	1,029	237	119	1,089	81	42	25
1890	915	312	150	315	88	68	42
1895	781	374	187	289	84	62	48

TOTAL VALUE OF EXPORTS TO—

YEARS.	United Kingdom.	Germany.	France.	Belgium.	United States.
	£	£	£	£	£
1875	4,227	Nil.	Nil.	Nil.	93
1885	4,906	1	Nil.	Nil.	404
1890	7,401	2	5	(£275 only)	583
1895	7,045	2	1	(£1 only)	316

QUEENSLAND, IN £1000.

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Value of total imports.	Value of total exports.	Great Britain.	Germany.	France.	Belgium.	United States.
	£	£	£	£	£	£	£
1875	3,328	3,857	1,262	—	—	—	15
1885	6,422	5,243	2,751	9	3	—	114
1890	5,066	8,554	2,120	57	6	$\frac{1}{2}$	121
1895	5,349	8,982	2,308	77	10	9	130

TOTAL VALUE OF EXPORTS TO—

YEARS.	Great Britain.	Germany.	France.	Belgium.	United States.
	£	£	£	£	£
1875	879	—	—	—	—
1885	1,618	4	—	—	—
1890	2,365	$\frac{1}{4}$	—	—	$\frac{1}{2}$
1895	3,418	—	10	$\frac{1}{2}$	$\frac{1}{2}$

SOUTH AUSTRALIA, IN £1000.

VALUE OF TOTAL IMPORTS FROM—

YEARS.	Value of total imports.	Value of total exports.	Great Britain.	Germany.	France.	Belgium.	United States.
1890	£ 8,262	£ 8,827	£ 2,483	£ 297	£ 13	£ 23	£ 219
1895	£ 5,585	£ 7,177	£ 1,857	£ 171	£ 20	£ 24	£ 241

TOTAL IMPORTS.

YEARS.	Manufactured articles of iron, steel, and other metals.	Cotton goods.	Woollen goods.	Cotton yarn.	Woollen yarn.
		Piece goods.			
1890	£ 364	£ 268		Nil.	Nil.
1895	232	269		Nil.	Nil.

TOTAL VALUE OF EXPORTS TO—

YEARS.	Great Britain.	Germany.	France.	Belgium.	United States.
1890	£ 4,296	£ 29	£ 22	£ 85	£ 33
1895	£ 2,362	£ 136	£ 270	£ 95	£ 14

VALUE (NOT IN £1000) OF GERMAN IMPORTS OF—

YEARS.	Cotton goods.	Woollen goods.	Hardware.	Machinery.	Silk goods.
1895	£ 2,829	£ 949	£ 253	£ 11	£ ?

ANNEX NO. 8.

VALUES AND QUANTITIES OF BRITISH METALS AND THEIR MANUFACTURES
EXPORTED, 1865 TO 1895.

VALUES IN £1000 OF BRITISH METALS AND MANUFACTURES EXPORTED, 1865 TO 1895.*

	1865.	1870.	1875.	1880.	1885.	1890.	1895.
Machinery—	£	£	£	£	£	£	£
Steam-engines	1,958	1,997	2,631	2,786	3,724	4,442	2,783
Of other sorts	3,264	3,295	6,427	6,477	7,362	11,967	12,367
Total	5,222	5,293	9,058	9,263	11,986	16,410	15,150
Metals—							
Iron, old, for remanufacture	12	501	102	1,165	261	502	252
— pig and puddled	1,599	2,229	3,449	5,218	2,092	3,498	2,077
— bar, angle, bolt, and rod	2,199	2,615	2,725	2,376	1,620	1,658	854
— railroad, of all sorts	3,550	3,756	5,453	5,072	3,905	5,981	1,897
— wire	474	439	780	827	689	1,083	711
— hoops, sheet and boiler plates	1,603	2,119	3,304	3,383	3,268	3,840	3,352
— tinned plates	1,481	2,362	3,686	4,457	4,427	6,361	4,239
— cast or wrought, and all other manufactures	3,262	3,334	4,342	3,792	4,013	5,965	3,727
— steel, unwrought	782	1,103	1,073	1,269	1,027	1,902	1,948
— manufactures of steel, or of steel and iron combined	473	575	827	826	405	771	620
Total of iron and steel	15,439	24,038	25,747	28,390	21,710	31,565	19,680
Telegraphic wire	148	2,522	1,168	1,300	770	1,602	782
Hardware and cutlery	3,761	3,812	4,264	3,520	2,851	2,764	1,856
Total	3,910	6,334	5,432	4,821	3,621	4,366	2,638
Copper, unwrought—							
Ingots, cakes, or slabs	496	795	980	1,053	901	2,629	1,344
— wrought or partly wrought—							
Mixed or yellow metal	816	795	1,084	1,021	972	1,004	629
Of other sorts	1,617	1,228	1,172	1,257	1,232	917	844
Brass, of all sorts	232	247	489	323	363	501	418
Lead, pig, sheet, and pipe	522	946	820	584	472	812	493
Tin, unwrought	496	633	476	399	411	503	383
Zinc, wrought and unwrought	94	141	115	134	102	162	130
Total	4,276	4,787	5,139	4,774	4,455	6,530	4,244

* NOTE.—Totals differ from additions of sums for different classifications separately, as, in the latter, sums under £1000 are omitted.

QUANTITIES OF BRITISH METALS AND MANUFACTURES EXPORTED, 1865-1895.

	1865.	1870.	1875.	1880.	1885.	1890.	1895.
Metals (Continued)—	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Iron, old, for re- manufacture . . . }	2,961	106,749	21,610	243,613	85,236	149,902	97,100
— pig and puddled	547,641	753,339	947,827	1,632,343	960,931	1,145,268	860,568
— bar, angle, bolt, and rod . . . }	254,257	321,455	276,068	304,214	264,472	222,835	143,990
— railroad. of all sorts . . . }	434,300	1,059,392	545,981	693,696	714,276	1,035,431	457,552
— wire }	24,137	23,447	42,221	59,180	55,093	61,567	*42,220
— hoops, sheets, and boiler plates }	116,032	181,484	204,483	283,194	330,954	335,592	307,132
— tinned plates	62,718	9,851	138,363	217,718	298,386	421,797	366,120
— cast or wrought, and all other manufac- tures }	214,255	233,721	239,869	275,714	347,963	454,171	288,864
— steel, un- wrought . . . }	23,877	34,962	29,858	69,057	60,481	149,416	99,888
— Manufactures of steel, or of steel and iron com- bined }	6,893	11,175	11,026	14,264	12,890	25,451	23,344
Total of iron and steel	1,687,071	2,735,575	2,457,306	3,792,993	3,130,682	4,001,430	†2,835,541
Copper, unwrought—							
Ingots, cakes, or slabs }	Cwts. 111,386	Cwts. 213,421	Cwts. 222,873	Cwts. 308,954	Cwts. 375,309	Cwts. 900,538	Cwts. 590,927
— wrought or partly wrought:							
Mixed or yellow metal }	199,001	244,676	277,547	338,645	418,400	351,451	298,233
Of other sorts . .	321,787	309,861	235,289	331,590	421,481	270,017	313,601
Brass, of all sorts .	44,238	57,466	90,033	76,379	91,856	106,211	107,182
Lead, pig, sheet, and pipe }	Tons. 24,826	Tons. 47,820	Tons. 35,398	Tons. 33,551	Tons. 38,526	Tons. 55,557	Tons. 41,705
Tin, unwrought .	Cwts. 103,488	Cwts. 101,696	Cwts. 104,269	Cwts. 88,384	Cwts. 93,019	Cwts. 102,642	Cwts. 113,412
Zinc, wrought and unwrought . . . }	89,226	146,909	97,160	160,458	153,763	164,176	197,568

* Except telegraphic wire.

† Also to make this total sums of £34,368 for black plates for tinning, and £108,395 for steel sheets.

ANNEX No. 9.

THE GERMAN COMMERCIAL TREATIES AND CIRCUMSTANCES THAT LED TO THEM.

(Extracts from Sir Charles Oppenheimer's reports to Foreign Office, and republished here by his kind permission.)

As mentioned in chap. viii., on the "Industrial Progress of the German Empire," the following extracts are from the able reports of Sir Charles Oppenheimer, H.R.M.'s Consul-General at Frankfort, and show the circumstances that led to the signing of the German Commercial Treaties.

For a complete account of the commercial treaty between Germany and Russia, of February, 1894, dealing with its provisions and effects on trade both from German and Russian points of view, the reader should study the three valuable reports issued by the Foreign Office in 1894, Nos. 328, 329, and 338, Miscellaneous Series. The first is by Mr. Gosselin, H.M.'s Secretary of Embassy at Berlin; the second is that of Sir Charles Oppenheimer; and the third is by Major Law, Commercial Attaché to the Embassy at St. Petersburg.

"During the year 1893 the discussions from a national-political point of view have been many in Germany. They are the expression of the great economical process, which for some decades has been in progress in Germany, and which continues to become more acute and transparent, while increasing in speed. It is the development of the old patriarchal agricultural Germany into a modern democratic industrial State. The great act on the part of the Imperial Government, the conclusion of the commercial treaties, was the last important stage in this direction. The spirited discussions of the last year, indeed, are connected with them, and form the lament of the defeated, and of the adherents and interested parties of the old agricultural Government, who in Germany are called 'Agrarians.' On February 1, 1892, those commercial treaties came into force which have been concluded by Germany with Austria-Hungary, Italy, Belgium, and Switzerland. I treated of them fully in my report for the last year. As far as can be seen thus far the effect has proved the correctness of my remarks at that time. The most important feature of the commercial treaties was the reduction of the grain duty from 50 marks to 35 marks per ton. At first it only applied to that number of States, indeed a not unimportant one, which have the most-favoured-nation clause with Germany. A treaty has also been concluded

with Roumania during the last few weeks, which, however, has not come into force yet. Nevertheless, the lower grain duty has been granted in advance to Roumania. Only to Russia was it denied. But this exclusion could, on the whole, make no difference with reference to the prices of grain in Germany during the last year, because Russia, on account of her bad harvest, had no grain to export, while America was in a position to fill all markets, and also to satisfy those wants of Germany which were supplied at other times by Russia. So it came about, that notwithstanding the fact that the 50 marks duty was kept in force against the by far most important granary of Germany hitherto, viz. Russia, the reduction of the grain duty has had a marked effect.

"A shower of gold was anticipated for the industry at the conclusion of the treaties. It was said that with the treaties a closed middle-European commercial sphere of 130,000,000 inhabitants would be created, and thought that with this fine phrase, this 'closed commercial sphere' would at the same time mean the exclusion of all other States from supplying these countries with industrial products. But as amongst these five States in consideration (the falsely so-called 'Zollunion'), Germany is by far the largest industrial State, the lion's portion of the industrial success of these treaties ought to have fallen to her lot, inasmuch as she ought to have acquired more than hitherto the market of the 80,000,000 inhabitants of the other four treaty States. Such an idea would have been equivalent to ousting England, the largest industrial State of the world, from the aforesaid continental markets. In my last report, I have already pointed out that the idea was a wrong one. It mistook the cherished idea of the philosophizing German national economists of a closed continental commercial union, which at some future time should stand out against similar closed trade spheres on the part of Great Britain and its colonies, the American Republics, and Russia, with the reality, the modest success, which, in comparison to such an utopian idea, the Imperial Government has effected by concluding these four treaties.

"The so-called customs union, which has thereby been created, is not a closed commercial field. Such a supposition is prevented by the existence of numerous treaties with the most-favoured-nation clause, which the five treaty States have made with so many other States outside the "customs union." All these most-favoured nations, including Great Britain, had a right, in consequence of their treaties, to participate in the duty reductions; therefore, no exclusive preference would exist, which one of the five States of the treaties could grant another, and the shiftings which took place in the commerce of the treaty States consequently extended also to States outside the treaty union enjoying the most-favoured-nation clause, such as Great Britain.

"These shiftings could not be very important. This is seen from the proportionate insignificance of the duty reductions. Moreover, since Germany not only received concessions from other States with reference to industrial duty reductions, but also made such to other States, it follows that the

increase in the German export in some articles, which were specially favoured by the other States through reductions, will partially be counterbalanced by the increase in the import of other articles of industry, for which Germany has given in exchange to the other States duty reductions.

"The export of Germany has by no means increased rapidly, but, corresponding with the general depression in the world's market, has decreased, though, however, not materially, and the increases in export of some articles is counterbalanced by a decrease in others.

"Nevertheless, the exaggerated illusions, which were entertained at the inauguration of the treaties by their adherents, have now found their expression in similar exaggerated protests by the opponents of the treaty policy. In the press, in societies, and also in Parliament, they have frequently been uttered. Many men engaged in industry seem to have expected a sudden influx of gold as a result of the treaties, and are disappointed and irritated because, notwithstanding the treaties, the millennium, when there will be no more crises, has not yet commenced. Even conspicuous successful industrial men show this want of general national economic insight. The former protective policy favoured to an enormous degree some large industries and land proprietors to the detriment of the numberless millions of the population who stood opposite these as consumers, and had indeed showered gold upon those favoured ones. The tendency of the present treaty policy is, on the contrary, to grant a slight alleviation to the great mass of the people at the expense of the minority hitherto privileged by the protective system. The favourable effects are divided amongst millions of economic existences, and the disadvantages are concentrated in a few powerful hands with important votes. But one must not be misled by these few, though powerful, voices of great manufacturers and land proprietors in thinking that by far the greater portion of the German population does not agree with the present commercial policy.

"With the Russo-German Commercial Treaty, which came into force on March 20, 1894, and of which I have treated already in a special report, the great achievement of ratifying the commercial treaties undertaken by the 'new course' of German policy has been brought to a close. This task began with the treaties concluded in 1891 and in force since February 1, 1892, with Austria-Hungary, Italy, Belgium, and Switzerland; in the year under report it has been extended by the new treaties with Spain, Roumania, Servia, and has finally been continued till it has reached the height aimed at by the policy of European equilibrium through the treaty with Russia. The four first-named treaties may be regarded as the fundamental basis, or ground floor, the next three (the so-called 'small' commercial treaties), as the second story, and the Russian treaty as the crowning stone of the monumental work. The treaties also ratified in 1893 with Egypt and Columbia, which in a geographical, as well as a commercial-political sense, differ from the others, may be styled corollaries. Is the work completed, or is there anything else still left to be done? It may as it stands to-day be considered finished.

However, there is still one great object which ought to be aimed at in the commercial diplomacy of the 'new course,' and that is, the conclusion of a tariff treaty with France, to replace the most-favoured-nation clause of the Frankfort peace.

"At any rate, this commercial treaty work is a work that has already made its mark in the history of the world, and is commencing to exercise its changing influence on the political formation of continental states. I do not propose to follow up this point in my present report, but will confine myself to reviewing, in a general way, the economical effects of these commercial treaties on Germany, and its economical reaction on Great Britain.

"The supply of breadstuffs for Germany is facilitated and cheapened, the industrial export is positively favoured partially by duty reductions on the part of foreign countries, and partially by the duties having been fixed so as to avoid new protective measures, which, whenever they are resorted to, create confusion in commerce and industry, and often curtail the latter for a length of time. The most important results of the treaty will probably be found to be the security now obtained against protective surprises, and the stability given to the customs laws of Europe for a period of ten years. It would be premature to give a definite verdict to-day as to whether the commercial treaties will actually accomplish what is hoped from them. For this the work is yet too young; nevertheless, it seems as if the actual development is going on as was originally planned by the founders and advocates of this commercial-political work. In the former autonomous protective customs system of Germany the weakest point was the high grain duties. It has been proved that the introduction of the grain duties, especially the raising of them to 5 marks in 1885, with the consequent rise in the prices of grain, has successively reduced the grain, *i.e.* bread-consumption of the German population, and partially had the effect of causing an enlarged potato consumption to take its place; in fact, it impaired the conditions of sustenance for the population of Germany. The disclosure of this fact has not failed to have a deep effect; dearer bread and inferior quality of the people's food mean a fatal attack on the foundation of all industry, which surely is formed of a well-fed working population. The example of England, which at an early period did away with the corn duties for the benefit of her labouring population, exercised a stimulating influence on the free-trade party in Germany. The new commercial treaties, with their reduction in the grain duties from 5 marks to 3 marks 50 pf. per 100 kilos., have only just come into force, and yet the statistics already tend to prove the fact that the consumption of bread, and consequently the nourishment of the German population, has increased. I will here quote a few figures taken from an official document of the German Government, which, however, curiously enough, seems hitherto to have escaped the notice of German newspapers. In these statistics the production and import of grain in Germany is added together, then the export deducted, and in this manner the quantity of grain is calculated which has remained in the country and consequently been consumed. According to these statistics it is

seen that the quantity of wheat left for consumption in Germany during the 13 harvest years 1879-80 (*i.e.* since the introduction of the grain duties) until 1891-92 (when the reduced grain duties came into effect) was on the average 2,898,147 tons per annum, and that, in the harvest year 1892-93, the first year entirely under the influence of the reduced grain duties, the proportion of wheat remaining for the consumption of the German population was 3,869,693 tons. This means an increase in the consumption of 33%. Furthermore, the average quantity of rye consumed in the 13 harvest years 1879-80 until 1891-92 was 6,271,841 tons, while that of the year 1892-93 was 6,965,000 tons, which gives an increase of 11% in the consumption. These figures would not be materially changed, if the transition year 1891-92 were left out of consideration. It may be assumed that the German population increased by about 10% during the period under consideration (*i.e.* the year 1892-93 as compared with the averages of the years 1879-80 to 1891-92). The consumption of rye kept pace very nearly with this increase in the population, whereas the increase in the consumption of wheat is quite three times as great; the conclusion which I should be inclined to draw (though with all the reservation necessary in such calculations) is, that as far as can be gathered from existing facts, the German population has increased its consumption of wheat, while that of rye has remained the same, so that in general the people now eat more bread, and that, too, of a better quality.

"Great Britain, by virtue of the most-favoured-nation clause in her treaties, participates in all the benefits acquired by the commercial treaty system in all countries whither British industrial exports find their way. In this respect the wise commercial policy of Great Britain has secured for English industries, without making any compensation whatever, the same favours which the German Government has only been able to secure for her industries at the price of a reform in her former customs policy. It will depend upon British trade itself what use it will make of the advantages so easily acquired for it by the former wise policy.

"The turn of mind altogether in Germany, which has come about with the growth of the commercial treaty policy, leads one to expect that the endeavours of the German industry to open up new fields for output in the world's market (which endeavours, too, are seconded by the Government) will in future be carried on with still greater zeal. The enthusiasm of the German industrial party at the conclusion of the Russo-German Commercial Treaty, which was quite inconsistent with the sober dry customs policy, may perhaps likewise be regarded as an expression of the increased feeling awakened within them of the need of expansion. It will be the task of the great industries of England, with a view to her extended commerce and her predominant position on the seas, to draw the lesson for her own mode of proceeding from the increased zeal and the facilitated condition of labour in the German industry.

"Spain, Roumania, and Servia, in consequence of the expiration of their

former comprehensive tariff treaties, had regained their full customs autonomy, and were guided by their endeavour to make the most of this state of liberty, on the one hand to increase their financial resources, on the other, to afford their rising industries, by means of high duties, protection against the competition of foreign countries, economically far in advance of themselves; lastly, they too, much in the same way as Switzerland and perhaps Russia, may have cherished secretly the thought that they would make good use of the customs autonomy to create a basis for favourable custom treaties. The three above-mentioned countries increased their autonomous tariffs considerably; they created thereby customs war tariffs, which, indeed, have been of use to them in their fight with the powerful treaty contractor, Germany, as can be seen by the treaties now before us. Germany had also, it is true, to offer these countries valuable concessions; thus Spain had nothing left but to agree to an arrangement as to the most-favoured-nation clause, *i.e.* participation in the reduced conventional duties of Germany on wine and southern fruits. A main source of the wealth of the country consists in her wine, since, by the tariff measures of the French Government, her principal market hitherto, *viz.* France, had been lost to her for the most part. Serbia and Roumania in their turn had to be content with the grant of the German conventional duties on grain as an adequate equivalent. Thus the German Government also was enabled to conclude treaties with the countries above-mentioned, without granting them more than the conventional duties already fixed in the treaties with Austria-Hungary, etc. For these same conventional custom duties Germany also obtained essentially her treaty with Russia; and the German Chancellor, Count Caprivi, could therefore well say, in the German Imperial Diet, that Germany had had her conventional tariff paid for several times over."

"Serbia, while the former treaties were in force, had reserved for her neighbour, Austria-Hungary, more advantages than she granted Germany. The friendship which was developed as regards her customs policy at the beginning of the commercial treaty work between Germany and her first treaty contractor, Austria-Hungary, was utilized in a very clever manner by Germany to induce Austria-Hungary to negotiate with Serbia on a similar basis, simultaneously, and with the same aims as Germany did in the new commercial treaty, and thus Germany succeeded in eliminating the privilege possessed by Austria-Hungary; and herein consists the principal value of the treaty with Serbia. When concluding treaties with other countries Germany has adopted a totally different procedure; she negotiated quite isolated, and, by this change of tactics, has shown that the working in concert with Austria-Hungary was no mere chance matter, but, on the contrary, was the result of long-cherished and fixed purposes.

"The favour shown to Austria-Hungary, as mentioned above, rested on the treaty concluded in the year 1881. According to this a series of articles, packing-paper, card-board, stone-cutter's work, cement goods in bulk, common pottery goods, raw iron, iron, agricultural implements, and tools of iron

or steel had to pay but the half of the treaty custom duties when entering direct from Austria-Hungary into Serbia under the title of "frontier traffic;" in a manner the whole of Austria was regarded as a "frontier" district of Serbia, a view which, considering the far greater area of Austria, appeared somewhat strained, but which at the same time can easily be explained on the one hand by the fact that Austria formed almost the only market for the Servian export trade, while on the other hand she was also financially and politically Serbia's main support under the Servian Government then in power.

"Under these circumstances it can be easily understood that the commercial intercourse between Germany and Serbia reached but moderate figures. Thus the export of Germany to Serbia for 1891 is valued at 4·0 million marks, her import from Serbia at 3·9 million marks. The extraordinary favour shown to Austria-Hungary has now been done away with by Germany in the new treaty. By the latter the frontier privileges of Austria have been reduced to a zone 10 kilometers broad, as well as being confined to articles of the local trade, such as grass, hay, milk—in fact, they are reduced to real frontier customs facilities such as are usual in all treaties between neighbouring countries.

"In the new Servian customs tariff Serbia has gone over from the *ad valorem* system, which was formerly in vogue in all the Balkan States, to the system of specific duties. Germany, however, has not raised any objection to the specific duty system because it is essentially more favourable for German textile industries than the *ad valorem* duty, especially for products which are manufactured from lighter material and are dearer than the products of other countries.

"The concessions of Serbia to Germany consist in reduction in the specific duties on a series of articles of German import. The yearly German export in these articles to Serbia amounts to 2,135,000 dinare; for these, according to the general tariff, 2·1 million dinare,* *i.e.* 97 per cent. of the value of the goods, would have been collected for custom duties; according to the new treaty tariff the duties on these same goods would be only 225,000 dinare, *i.e.* equal to 11% of the value of the goods. The concession of Germany consists in nothing but the fixing of the duty tariff as now arranged. There is no doubt that the Servian treaty is a successful piece of work on the part of Germany's treaty policy.

"Germany is less fortunate in her negotiations with Spain. Here it was necessary for Germany in the first instance, and one might say almost exclusively, to open again for German agriculture the exceedingly important Spanish market, which had formerly been not only a very extensive market, but in fact almost her only one for alcohol. The ravages inflicted on French vineyards by the phylloxera created at the beginning of the eighties a fear as to whether the flourishing wine industry would be maintained, and it was desirable to help this branch of national trade by every means available.

* 1 dinare = 10*d.*

France therefore arranged in her commercial treaty with Spain of 1882 a lower import duty for wine with a high percentage of alcohol, which favoured the export of Spanish wines to France and procured from Spain the quantity of wine needed for the French wine industry. As France took up great quantities of alcoholized Spanish wines, Spain could consume considerable quantities of German alcohol. By the damage done to France through the phylloxera, Germany thus indirectly profited.

"This, however, did not please the French alcohol manufacturers at all. When, in the year 1892, the Spanish-French commercial treaty expired, the injuries caused to French vines by the phylloxera were for the most part again repaired; and now the interests of the French distillers, the tendency of French protective policy, induced the Government to raise the customs duty on wine in 1892, and simultaneously to reduce considerably the percentage of alcohol allowable in liquors cleared as wines. These measures caused a rapid decrease in the export of Spanish wines to France; the latter had reached, even in the year 1890, nearly 8,000,000 hectolitres, valued at 240,000,000 fr., and sank immediately after the expiration of the treaty with France to about half, and the wines that were still shipped to France were only such as had been slightly alcoholized. For Spain the consequences of this were two-fold: she did not need any longer so much alcohol as formerly, and laboured under a surplus of wine for which she could find no market; so the Spanish wine-growers resolved to utilize their superfluous stock of wine by manufacturing it into alcohol, and energetically demanded the expulsion of all foreign competition in the Spanish alcohol markets. In the new Spanish customs tariff prohibitive duties were levied on alcohol, and all endeavours of the German, and later on also of the Austro-Hungarian Government, to obtain some abatement in these figures have utterly failed. It is mainly the Spanish alcohol customs duties that have for a very long time delayed the conclusion of the treaty with Spain. For the last year before the expiration of the old treaties the German export of spirit to Spain, although considerably reduced owing to Spanish measures from its former dimensions, still represented a value of 8,000,000 marks, and furnished lucrative business to the trade and shipping of the German cities. It must now be regarded as lost. The German Government therefore aimed in the new treaty at securing as well as possible the other interests of German agriculture, industry and commerce in the Spanish market. These interests cannot be regarded as trifling, for the German export to Spain, exclusive of alcohol, was even last year above 33,000,000 marks.

"Among the concessions which Germany obtained from Spain must be mentioned the regulating of the customs duty on potato meal, which has, during the last few years, found a good market in Spain; besides this, too, a few not unimportant reductions in the Spanish minimum tariff have been gained, and a sort of most-favoured-nation clause has been agreed upon. Germany endeavoured in the treaty negotiations with Spain to obtain the most-favoured-nation clause altogether, which has become typical as a

commercial political formula ever since the famous Cobden Treaty. Spain, however, has obstinately refused this, and has only granted a partial most-favoured-nation treatment, viz. that it is to be applied merely to a number of articles specified in the treaty. As a natural consequence, Spain also only asked for a partial most-favoured-nation treatment. The German Government, however, has been able to secure for itself in the partial most-favoured-nation treatment the minimum tariff on all German goods entering Spain, which practically comes fairly near to the most-favoured-nation clause.

"A special article in the Spanish commercial treaty regulates the application of the conditions of the treaty as regards the colonial possessions of Spain, and secures for German subjects there the same privileges as those granted to all other nations. The German Government, however, has not succeeded in coming to any agreement regarding the trade to those colonies. How advantageously Spain's negotiations with Germany turned out can be seen by the concessions granted her, for they go even further than the German treaty tariff for many articles exported by Spain, such as cork and cork goods, saffron and tropical fruits. They do not, however, exceed the concessions which Spain gained by former treaties from Germany at the time of the Imperial Chancellor, Prince Bismark. The Spanish-German treaty was not sanctioned by the Spanish cortes, and time will show whether it will or will not come into force.* Whereas, in former years Germany remained considerably behind Austria-Hungary in her intercourse with Servia, she has succeeded in surpassing that empire as regards trade relations with Roumania. In the year 1886, in consequence of the decree issued by Austria forbidding the importation of cattle, the customs war arose between Austria-Hungary and Roumania, and Germany took possession of a great part of the Roumanian market which had until then been claimed by Austria-Hungary. Germany has thus become the largest exporter to Roumania; even in 1886 her exports to Roumania amounted to 73·3 million francs, 1890 already to 109·2 million francs, 1892 to 139·6 million francs. These advantages, as above-mentioned, Germany has gained at the expense of Austria-Hungary.

"To what extent, however, Germany was benefited by the customs war between Roumania and Austria-Hungary can be seen from the fact that Germany's export to Roumania in the years 1890 and 1891 surpasses that of England by 12,000,000 fr. and 25,000,000 fr. respectively. According to inquiries made by the German Government the German exports to Roumania consist chiefly in the following articles: Chemical products, colours, varnishes, lead pencils, rough joiners', turners', and basket-makers' goods, fine wood-work, furniture, glass, and especially looking-glasses, rough iron goods, rails, wrought-iron and cast-iron machinery, sewing-machines, cutlery, musical instruments, fine kinds of leather and leather goods, woollen and cotton textures, woven hosiery trimmings, ribbons, woollen and cotton cloths, silk and half-silk stuffs and shawls, toys, and sugar."

* A commercial understanding was finally arranged between Germany and Spain in July, 1896.

"The tendency of the new Roumanian customs tariff was to increase the receipts in the duties and to promote the national industry which is slowly developing. In this customs tariff Germany has obtained reductions for the most important articles of her export. Woollen textiles form one of her most considerable export articles to Roumania, and represent, according to the Roumanian statistics for the year of 1890, a value of 12,733,960 fr., against an English import of 9,489,280 fr., and a French import of 4,679,480 fr. For heavy woollen textiles no customs reduction has been obtained. For light kinds weighing 500 grammes or less per one square metre the duty has been reduced from 150 fr. to 135 fr. per 100 kilos. The value of the German export in these last-mentioned articles, woollen textiles, is given at about 10.5 million francs yearly. The duty on woollen trimmings has been reduced from 160 fr. to 140 fr., that for cotton trimmings from 200 fr. to 150 fr. Special stress is laid upon the fact that the respective goods have been grouped in the tariff differently. Whenever such goods were hemmed and seamed or provided with buttons, ribbons, or other trimmings, the Roumanian customs officials were accustomed to tax them according to the higher rates charged on millinery; this has now been changed for the future. A number of Roumanian customs have been fixed upon as well as the placing of certain goods on the free list, and for all this Germany has granted to Roumanian commerce the benefits of the German treaty tariff, of which the corn duties are of special and increasing importance for the agricultural State of Roumania, as can be seen from the tables of the German grain import, which have been already given.

"The export of Roumania to Germany consists mainly of cereals, waste, bristles, dried fruits, nuts, chestnuts, animals and animal products. It has been rising since 1886, when it amounted to 2.6 million francs. In 1891 it amounted already to 30.9 million francs. Although the customs war between Roumania and Austria-Hungary has been terminated, and a treaty concluded between these two countries, it is still hardly probable that Austria will so easily or rapidly oust Germany again from Roumania. For the next few years, therefore, Germany will have to be considered as the principal competitor in the Roumanian import market.

"The treaties with Spain, Roumania, and Servia terminate, as do those with Austria-Hungary, Italy, Belgium, Switzerland, and Russia, on December 13, 1903.

"Egypt.

"On July 19, 1892, the German Empire concluded a commercial treaty with Egypt, which came into force on April 1, 1893, and will expire on March 12, 1912, the date when the German-Turkish commercial treaty also terminates. The basis of this arrangement is formed by the treaties previously concluded by Egypt with other States, especially with Great Britain, as well as the concessions made on the part of Turkey to Germany in the treaty of August 26, 1890. The treaty stipulates for most-favoured-nation treatment

on both sides. On the part of Egypt the import and export duties are fixed at 10% for several categories of goods, namely, raw and spun silk, silk yarn, wine, alcohol, petroleum, cereals, and meal at 15%, and the export duties at 10% on the value of the goods. Duties for goods in transit are not to be levied in Egypt. The admissibility of an octroi tax is restricted by the treaty, and the Egyptian mode of levying the duty is regulated. Until new arrangements are made the present duty of 8% on the value for imports to Egypt remains in force. Any possible increase which might be decided on will only apply to Germany if they are also applied to all other countries, and in the aforesaid fixed rates of duty a certain maximum has been agreed upon for such future increased rates. The export of Germany to Egypt amounted in 1880 to 2,266,000 marks; in 1891 already to 6,252,000 marks; the import of Germany from Egypt in 1880 amounted to 4,598,000 marks; in 1891 to 6,177,000 marks. Those are the statistical values, but the actual figures of the intermediate traffic and of the trade of the German free harbour districts are probably higher. The articles of German export to Egypt, which since 1886 have steadily increased, were manufactured goods of many descriptions, whereas Egypt exported mainly raw cotton and cigarettes to Germany. In the discussions of the Imperial Diet about the Egyptian commercial treaty many speakers expressly acknowledged that the English control and its free-trade influence in Egypt had been excellent.

"Columbia.

"On July 23, 1892, a treaty of commerce, friendship, and navigation between Germany and Columbia was agreed upon at Bogota for ten years, which in the year 1893, having received the sanction of both legislatures, was ratified and then came into force. This treaty is, as far as it concerns the traffic of goods, purely a most-favoured-nation arrangement. The commercial relations of Germany with Columbia have only been noteworthy at all during the last few years. They are even now of no very great importance. The export of Germany to Columbia was valued in 1889 at 3,823,000 marks; in 1890, at 4,761,000 marks; the import of Germany from Columbia in 1889 at 5,101,000 marks; in 1890 at 8,890,000 marks. The main export articles of Germany to Columbia are woollen and cotton goods, iron goods, and beer, while the chief items imported from Columbia into Germany are tobacco leaves, raw coffee, and carozza seeds. The commercial political relation between the two States was based on the old treaties—limited most-favoured-nation agreements—concluded in the year 1854 between Columbia and the then free-Hanse cities of Hamburg, Bremen, and Lübeck, but their validity for the confederation that had meanwhile come into existence was questioned by Columbia. The German Government, therefore, opened negotiations as early as the year 1883 with Columbia with a view to concluding a new commercial treaty, but, owing to political complications in the free State, the negotiations were interrupted, resumed in

1886, and then again broken off. But as soon as the McKinley Bill appeared and the pan-American policy of reciprocity on the part of the United States of America began to meet with success, Germany hastened also to conclude a treaty with Columbia similar to the ones she had so successfully ratified with San Domingo and Ecuador. The result of these endeavours is the new commercial treaty with Columbia, which is held a success in view of the American policy of reciprocity, which the United States themselves even in the meantime have again abandoned. The arrangements Germany has made with Columbia as regards the civil, criminal, and administrative jurisdiction, as well as regarding the compensation for damages, which the subjects of the German Empire may receive within the territory of Columbia during revolutions or civil wars from rebels, or which they may suffer at the hands of uncivilised tribes revolting in Columbia, are in accordance with the standpoint which has been repeatedly maintained by the British Government on the strength of the opinions expressed by the legal advisers of the British Crown, as was explicitly pointed out by the German Government when confirming the treaty.

“Whoever has observed the development of the political economical life under the influence of the new commercial treaty policy must have received the impression that this policy has produced a peaceful revolution in Germany, more than any other change in the management of the German Imperial Government during the last few years—a revolution which will doubtless continue to develop further.

“Its tendency on the whole is the adoption of the economical legislation and administration of Germany to the wants of the industrial state. In single points this tendency is also beginning to influence the finances of the Empire by transforming them. The commercial treaties have already brought about a decrease in the customs duties of 40,000,000 marks per annum. At the same time the expenses have increased by 60,000,000 marks per annum on account of the new Army Bill.

“The position of the commercial political connections with foreign countries at present is as follows:—

“Tariff treaties in which Germany has made concessions and granted the most-favoured-nation clause exist with the following states:—

STATE.	DATE OF TREATY.	LAISE (WITH 1 YEAR'S NOTICE).
Belgium	December 6, 1891	December 31, 1903
Greece	July 9, 1884	March 2, 1895
Italy	December 6, 1891	December 31, 1903
Austria-Hungary	December 6, 1891	December 31, 1903
Roumania	October 21, 1893	December 31, 1903
Russia	February 10, 1894	December 31, 1903
Switzerland	December 10, 1891	December 31, 1903
Servia	August 21, 1892	December 31, 1903

"Most-favoured-nation treaties exist between Germany and—

STATE.	DATE OF TREATY.	LAPSE.
Argentine	September 19, 1857	1 year after notice.
Chili	February 1, 1862	1 year after notice.
Colombia	July 23, 1892	July 12, 1904, with 1 year's notice.
Costa Rica	May 18, 1875	1 year after notice.
Denmark	Former treaties *	
Dominican Republic	January 30, 1885	January 26, 1896; 1 year's notice.
Ecuador	March 28, 1887	March 29, 1898; 1 year's notice.
France	Frankfort peace	None.
Great Britain and colonies	May 30, 1865	1 year's notice.
Guatemala	September 30, 1887	June 22, 1898; 1 year's notice.
Hawaii	March 25, 1879	1 year's notice.
	September 19, 1879	
Honduras	September 12, 1887	July 2, 1898; 1 year's notice.
Liberia	October 31, 1867	1 year's notice.
Madagascar	May 15, 1883	1 year's notice.
Morocco	June 1, 1890	Revisable on July 10, 1896.
Mexico	December 5, 1882	1 year's notice.
Netherlands and colonies	December 31, 1851	1 year's notice.
Paraguay	July 21, 1887	May 18, 1898; 1 year's notice.
Persia	June 11, 1873	1 year's notice.
Salvador	June 13, 1870	
	January 12, 1888	August 22, 1899; 1 year's notice.
Sweden and Norway	Older treaties — like with Denmark.	
South African Republic (Transvaal)	November 22, 1885	July 24, 1896; 1 year's notice.
Turkey	March 22, 1761	
	August 26, 1890	March 12, 1912; revisable at the end of the 7th or 14th year.
Egypt	July 19, 1892	March 12, 1912; revisable at the end of the 7th or 14th year.
Bulgaria, including East Roumelia	March 20, 1862	
	August 26, 1890	
	July 13, 1878	
	(Art. 28)	
Uruguay	June 20, 1892	July 31, 1897; 1 year's notice.
United States of America	Old treaties	
Zanzibar	December 20, 1885	July 4, 1901 (thereafter further 10 years in case of no notice for revision).

* Which likewise apply to Danish possessions and colonies.

"Besides these there exist treaties in which Germany has neither granted tariff concessions nor the most-favoured-nation clause, *e.g.* with China, Japan, Congo State, Corea, Samoa, Siam, and with Spain with reference to the Caroline, Palau, and the Zulu Archipelagoes. Treaties with Japan and Portugal are at present in course of preparation. With reference to the treaty with Japan economic societies have been called upon to give their opinions, and besides these the 'Zollbeirath' (Customs Council), which is formed of merchants, is to be summoned. A commercial treaty with Portugal has been repeatedly desired by industries interested. The desire was more urgently repeated when, on May 15, the ceasing of the provisional

commercial arrangement with Spain was followed by the customs war. As has transpired, the conclusion of a treaty with Portugal, for which preparations have likewise been made, presents special difficulties. For a long time in the German press it has been stated that the negotiations regarding the treaty with Portugal were so far advanced that the demands and concessions on both sides were outlined. It was also reported that the Customs Council had to consider this matter. The German-Portuguese commercial relations have, it is true, developed slowly, but, nevertheless, fairly steadily. Germany's place in the Portuguese import is second, but far behind England's. Her export to Portugal amounts to a third or a fourth of that of England. German export to Portugal has consisted up to the present principally in various articles of food, manufactured goods, instruments and machinery of all kinds, metals, wool manufactures, linen goods, silk goods, cotton goods, glass and enamel articles, clay and animal products, leather, hides, skins, fats, etc. On the part of German industry the possibility of an increased export to Portugal at the expense of England and France is thought possible in the following articles: Woollen cloths, cashmeres, wall-papers, mixed woollen and cotton and woven goods, spun silk yarns, cotton goods of various kinds, soda, potassium, cement, gunpowder, raw and wrought iron, copper goods, mill products, codfish, potatoes, sugar, machines, paper and products of the German chemical industry, which is especially efficient.

"The commercial and navigation treaty concluded between Germany and Uruguay in 1892, which regulates the relations of these two countries on the basis of the most-favoured-nation clause, was ratified in the past year.

"With the lapse of the commercial provisional arrangement between Germany and Spain the autonomous tariff came into force against Spanish imports. It had been hoped that the Spanish Government would be satisfied till the close of the Cortes' discussions on the treaty with enforcing on German goods the Spanish minimum tariff, which in itself is already high. The Spanish Government, however, decided that their maximum tariff should immediately be put into effect on goods from Germany. Hereupon the German Federal Council resolved to make use of Section 6 of the German Customs Tariff Law of June 15, 1879, and to impose on goods coming from Spain (according to an Imperial decree dated May 25, 1894) an additional duty of 50%. These additional duties not only affected direct Spanish imports, but also such goods as came from Spain's foreign possessions. In a communication of the Imperial Chancellor, on December 5, 1894, these occurrences were laid before the German Reichstag. A debate followed in which the attitude of the Government was approved of, and a proposition made to give the Federal Council further powers to impose duties on such goods as soon as the customs war commenced, as had hitherto entered free. Hitherto there was no prospect of a speedy close being put to the German-Spanish customs war. On the part of Germany the initiative will not, judging from various signs, be taken; likewise there exists no inclination to make further concessions in a new treaty below those of August 8, 1893.

In case duties were levied upon goods entering hitherto free, the import of Spanish ores, a very important item, into Germany, would in the main be affected.

"The commercial political relations between Germany and the United States of America were somewhat affected during the last year, inasmuch as America resolved in her new Tariff Bill to make a difference on sugar, which was imported from such countries as pay an export premium. Against this the German Government, as is well known, protested, because it saw in it a breach of the most-favoured-nation clause. The Austro-Hungarian Government joined in this protest, and the representatives of the American Government have acknowledged the validity of this objection. It is hoped that the serious disturbance in the international exchange of merchandise which would arise from an eventual customs war between America and Germany will be averted, the more so, as the Governments concerned are eager to remove the differences in a fair manner. The United States of America in 1893 furnished Germany with goods to the total value of 458,000,000 marks. Germany shipped to America goods amounting in total to 354,300,000 marks, principally manufactured goods.

"A customs war which would cut off this exchange of goods would force the German as well as the American export industry to look up new markets for their output, and in view of the entire commercial-political look-out such an endeavour could only succeed on the basis of further decrease in prices. It would take a considerable time to place these quantities of merchandise in other centres, and the entire international markets would thereby be affected. The commercial-political relation between Germany and the United States have not been specially regulated since the founding of the German Empire. They are still founded on older treaties with different German States, especially upon the treaty between Prussia and North America of May 3, 1828. There exist resolutions of the German Federal Council, however, in which by declarations the right of the most-favoured nation has been extended to the United States. Such resolutions date from February 20, 1885, and January 30, 1892. The German Imperial Chancellor, in the Session of the Imperial Diet held on December 10, 1891, furthermore made some remarks on this relation at the time, when the commercial treaties with Austria were being discussed. They were as follows :—

" 'As regards the United States, you will be able to see from the report, or from the reprint of some official documents which have been laid before the House, that at the time when discussions arose about the importation of port this question was also treated, and that the Federal Governments, which in the year 1885 held that the United States belonged in our eyes to the most-favoured nations, have felt no necessity now to discuss the question whether the American view of the most-favoured-nation treatment, which in many instances differs from the German, comes in question here. We merely maintain the same position as in 1885, have granted America the right of most-favoured nation in this respect, etc.'

"This utterance is based upon an exchange of documents of August 22, 1891, between the German Ambassador in Washington and the representatives of the United States, wherein the light of the most-favoured nation is actually granted to the United States, although the basis of this grant by treaty is not quite clear. The United States have up to now practically taken the same view of the matter. It may, however, be remarked that in Germany a desire for the formal conclusion of a treaty with the United States has repeatedly been expressed.

"The prohibition to import American cattle into Germany is based, according to official German statements, upon the appearance of Texas fever.

"The prohibitory decree, which was issued just at a time when the price of home meat had reached an extraordinary height, was regretted equally by consumers as well as shippers. Although the influential German agrarians demand the strictest application of the Animal Contagious Diseases Acts, and the prohibitory decree meets their desires and views, yet on the part of the officials concerned all connections between the prohibitions and the differentiating of the German sugar in America is publicly and emphatically denied. A commission was sent to England to study the experiences gained there as regards the import of American cattle. One may expect, therefore, that the prohibition law will possibly be again cancelled, although the present Minister of Agriculture, during the discussion of his budget, proved himself in a much discussed speech to be an energetic adherent of the prohibitive policy in the interests of the health of the home cattle. Meanwhile, a new measure had been adopted, which might be applied to this matter, although such a connection is not quite clear. By a decree of the Prussian Minister of Finance it was decreed that 'corned beef' must pay according to the autonomous tariff 20 marks duty, instead of the 17 marks of the treaty tariff, since, according to his ideas, corned beef does not come under the position of 'prepared meat' in the treaty tariff.

"Japan Commercial Treaty.

"German commercial relations with Japan have been regulated up to the present on the basis of the most-favoured-nation clause. In the year 1869 the value of Germany's direct exports to Japan did not amount to 1,000,000 marks. In 1888, however, it rose from 5,000,000 to 18,000,000 marks; in 1891 it again sank to 14,300,000 marks, to rise again in 1892 to 17,100,000 marks, and in 1893 to 18,500,000 marks, whereas the British exports to Japan at the same time amounted to 118,000,000 marks. The most noteworthy articles of Germany's export to Japan are—

ARTICLES.	Value in Million Marks.
Woollen cloths, not printed	5.282
Polished iron wire	1.828
Threefold spun sheep-wool yarn	1.402
Aniline and other tar coal products	1.168
Malleable iron in bars	1.036
Total	10.716

“The export has risen in 1893 in alcaloids and its salts (250,000 marks), aniline and other tar products (129,000 marks), iron wire, also shaped, not coppered (195,000 marks), sheep-wool yarn, raw, double (123,000 marks), the same, bleached or dyed, double (125,000 marks), woollen cloth not printed (655,000 marks), zinc rolled, etc. (170,000 marks). The export has fallen off amongst other articles in rapeseed, iodine, beer in bottles, gold and silver paper, coloured paper (409,000 marks), half-silk goods.

“Great hopes are founded in Germany on the treaty now in course of preparation, as people are of opinion in various circles that Japanese successes in the late war, as well as the progress in the opening up of the country for the effects of civilization, will greatly increase the consuming capacity of the Japanese market as to European goods.”

ANNEX No. 10.

VALUES OF ALL CLASSES OF ENGLISH EXPORTS SEPARATELY TO BRITISH POSSESSIONS AND FOREIGN COUNTRIES, 1885 AND 1895 COMPARED.*

TABLE OF VALUES IN £1000 OF ALL ENGLISH EXPORTS (OF BRITISH ORIGIN), 1885 TO 1895.

DESCRIPTION.	TO BRITISH POSSESSIONS.			TO FOREIGN COUNTRIES.			TOTAL TO ALL PLACES.		
	1885.	1895.	+ or - '95 v. '85.	1885.	1895.	+ or - '95 v. '85.	1885.	1895.	+ or - '95 v. '85.
	£	£	£	£	£	£	£	£	£
Alkali	140	171	+ 31	1,815	1,385	- 430	1,955	1,557	- 398
Apparel and slops	3,382	3,802	+ 420	778	722	- 56	4,161	4,525	+ 364
Arms, ammunition, and mili- tary stores, shot of iron in- cluding shells	31	2	- 29	31	129	+ 98	67	131	+ 64
Arms, gunpowder	202	116	- 86	116	65	- 51	318	181	- 137
„ percussion caps	27	14	- 13	41	18	- 23	69	33	- 36
„ ammunition unenumera- ted	376	870	+ 494	228	517	+ 289	605	1,337	+ 732
„ cannon and mortars	98	66	- 32	197	251	+ 54	296	318	+ 22
„ muskets, rifles, and fowl- ing pieces	193	121	- 72	180	108	- 72	374	229	- 145
„ revolvers	7	5	- 2	2	1	- 1	10	7	- 3
„ swords, cutlasses, bayo- nets, etc.	5	9	+ 4	2	814	- 2	8	10	+ 2
„ ordnance stores not otherwise described	26	9	- 17	22	191	+ 169	49	201	+ 152
Bags and sacks (empty)	95	55	- 40	683	388	- 295	779	443	- 336
Beer and ale	1,138	1,049	- 89	506	473	- 33	1,645	1,523	- 122
Biscuit and bread	107	138	+ 31	395	414	+ 19	502	553	+ 51
Bleaching materials	20	29	+ 9	486	471	- 15	507	500	- 7
Books (printed)	722	755	+ 33	420	472	+ 52	1,143	1,228	+ 85
Brass, manufactures of, not being ordnance	156	181	+ 25	207	237	+ 30	363	418	+ 55
Butter	33	43	+ 10	142	58	- 84	175	101	- 74
Candles of all sorts	131	234	+ 103	67	151	+ 84	199	385	+ 186
Caoutchouc, manufactures of	170	260	+ 90	740	929	+ 189	910	1,190	+ 280
Carriages, etc., railway car- riages for passengers and parts thereof	126	120	- 6	123	107	- 16	250	277	+ 27
Carriages, etc., railway wag- gons, trucks, etc., and parts thereof, for ballast, minerals, and merchandise	500	245	- 255	288	267	- 21	788	513	- 275
Cement	380	270	- 110	430	370	- 60	811	641	- 170
Cheese	29	23	- 6	22	14	- 8	51	38	- 13
Chemical products or prepara- tions not specially enumera- ted	313	535	+ 222	1,135	1,630	+ 495	1,448	2,165	+ 717
Clay, unmanufactured	10	23	- 13	180	324	+ 144	191	347	+ 156
Clocks, watches, and parts thereof	127	38	- 89	90	30	- 60	217	69	- 148

* Columns I. and II. added and compared with III. differ slightly, as all figures below £1000 are ignored in first two.

DESCRIPTION.	TO BRITISH POSSESSIONS.			TO FOREIGN COUNTRIES.			TOTAL TO ALL PLACES.		
	1885.	1895.	+ or - '95 v. '85.	1885.	1895.	+ or - '95 v. '85.	1885.	1895.	+ or - '95 v. '85.
	£	£	£	£	£	£	£	£	£
Coals, cinders, etc.—									
Coals and culm	1,632	1,455	— 177	8,390	13,144	+ 4,754	10,022	14,600	+ 4,578
Coke and cinders	19	49	+ 30	328	415	+ 87	348	464	+ 116
Fuel manufactured	21	10	— 11	240	358	+ 118	262	368	+ 106
Coals, products of coal, peat, or shale, including naphtha, paraffin and its oil, petro- leum, pitch, and tar	72	105	+ 33	784	1,468	+ 684	857	1,573	— 716
Copper, unwrought, in ingots, cakes, or slabs	80	5	— 75	820	1,339	+ 519	901	1,344	+ 443
Copper, wrought or manufac- tured mixed or yellow metal	104	499	+ 395	257	130	— 127	972	629	— 343
Copper, unenumerated	647	357	— 290	585	486	— 99	1,232	844	— 388
Cordage, cables, ropes, and twine of hemp or light material	175	171	— 4	207	257	+ 50	383	428	+ 45
Cotton twist and yarn	3,025	2,030	— 995	8,839	7,260	— 1,579	11,865	7,455	— 4,410
„ manufactures, piece goods, plain	16,108	13,346	— 2,762	14,456	19,859	* + 5,403	30,565	33,205	+ 2,640
„ manufactures, piece goods, printed	6,950	6,195	— 755	10,755	7,353	— 3,402			
„ lace and patent net	531	375	— 156	1,845	1,585	— 260	2,376	1,961	— 415
„ hosiery (stockings or socks)	391	181	— 210	127	38	— 89	519	220	— 299
„ hosiery of other sorts	152	95	— 57	222	100	— 122	374	195	— 179
„ thread for sewing	386	458	+ 72	1,979	2,701	+ 722	2,365	3,160	+ 795
„ other manufactures un- enumerated	547	692	+ 145	650	1,464	+ 814	1,198	2,157	+ 959
Dye stuff, products of coal tar „ other sorts unenu- merated	15	14	— 1	279	197	— 82	295	212	— 83
„ „	16	37	+ 21	185	223	+ 38	201	260	+ 59
Earthen and china ware, red pottery and brown stoneware	19	59	+ 40	82	93	+ 11	101	153	+ 52
Earthenware, china-ware, Pa- rian, and porcelain	611	484	— 127	1,125	1,354	+ 229	1,737	1,839	+ 102
Furniture, household cabinet and upholstery wares	402	338	— 64	237	179	— 58	649	517	— 132
Glass, plate, rough or silvered (including looking-glasses and mirrors)	85	48	— 37	160	30	— 130	246	79	— 167
Glass, flint, plain, cut, or orna- mented (including bottles and other manufactures of flint glass)	180	115	— 65	98	99	+ 1	279	214	— 65
Glass common bottles	261	208	— 53	89	115	+ 26	350	324	— 26
„ other manufactures un- enumerated	33	52	+ 19	56	118	+ 62	89	170	— 81
Grease, tallow and animal fat	27	32	+ 5	381	499	+ 118	409	531	+ 122
Haberdashery and millinery (including embroidery and needlework)	1,676	1,099	— 577	632	252	— 380	2,308	1,352	— 956
Hardware and cutlery un- enumerated	1,183	760	— 423	1,668	1,096	— 572	2,851	1,856	— 995
Hats of felt	451	341	— 110	257	329	+ 72	709	670	— 39
„ straw	252	301	+ 49	117	95	— 22	370	396	+ 26
„ other sorts	20	9	— 11	11	13	+ 2	32	22	— 10
Hops	37	5	— 32	3	5	+ 2	40	37	— 3

* Includes dyed or manufactured dyed yarn.

DESCRIPTION.	TO BRITISH POSSESSIONS.			TO FOREIGN COUNTRIES.			TOTAL TO ALL PLACES.		
	1885.	1895.	+ or - '95 v. '85.	1885.	1895.	+ or - '95 v. '85.	1885.	1895.	+ or - '95 v. '85.
	£	£	£	£	£	£	£	£	£
Implements and tools—									
Agricultural	140	137	- 3	149	242	+ 93	289	379	+ 90
Unenumerated	255	306	+ 51	322	553	+ 231	577	860	+ 273
Instruments and apparatus, surgical, anatomical, and scientific	113	137	+ 24	125	140	+ 15	238	277	+ 39
Iron, old and scrap for re- manufacture	46	53	+ 7	214	199	- 15	261	252	- 9
Iron, pig	194	128	+ 66	1,846	1,928	+ 82	2,041	2,056	+ 15
" puddled, and puddle bars bar	48	13	- 35	2	6	- 4	51	20	- 31
" angle, bolt, and rod . . .	733	375	- 358	651	379	- 272	1,385	755	- 630
" railroad, rails	98	22	- 76	136	76	- 60	235	98	- 137
" railroad, chairs and sleepers	1,767	681	- 1,086	997	751	- 246	2,764	1,432	- 1,332
" railroad, unenumerated . .	484	118	- 366	189	52	- 137	673	170	- 503
" wire of iron or steel (ex- cept telegraphic wire) and manufactures thereof	289	156	- 133	177	137	- 40	467	293	- 174
" sheets and boiler plates . .	361	338	- 23	328	372	+ 44	689	711	+ 22
" sheets, galvanized	380	176	- 204	532	173	- 359	973	349	- 564
" hoops and hoop iron . . .	1,234	1,376	+ 142	528	874	+ 346	1,763	2,251	+ 488
" tin plates and sheets . . .	163	166	+ 3	381	172	- 209	545	338	- 207
" anchors, grapnels, chains, and cables	416	549	+ 133	4,011	3,689	- 322	4,427	4,239	- 188
" tubes and pipes, wrought nails, screws, and rivets . .	89	78	- 11	159	197	+ 38	249	275	+ 26
" cast, and manufactures thereof, unenumerated . . .	179	314	+ 135	294	372	+ 79	473	686	+ 213
" wrought, and manufac- tures thereof, unenum- erated	223	192	- 31	120	113	- 7	343	306	- 37
" steel, cast in ingots or blooms	743	468	- 275	563	439	- 124	1,307	907	- 400
" steel bar of all kinds . . .	960	819	- 141	678	731	+ 53	1,639	1,551	- 88
" steel sheets	614	8	+ 8	37	51	+ 14	38	59	+ 21
" manufactures of steel or of steel and iron combined	138	230	+ 92	620	958	+ 338	758	1,189	+ 431
" goods	51	155	+ 104	179	545	+ 366	230	700	+ 470
" unenumerated	222	252	+ 30	182	368	+ 186	405	620	+ 215
Jute, yarn	1	5	+ 4	270	350	+ 80	272	355	+ 83
" manufactures, piece goods	121	239	+ 18	1,782	1,929	+ 147	1,904	2,168	+ 264
" unenumerated	7	25	+ 18	9	34	+ 25	16	60	+ 44
Lead, pig	168	34	- 134	101	200	+ 99	270	235	- 35
" rolled, sheet, piping, tubing, and other manufactures	108	141	+ 33	43	116	+ 73	201	258	+ 57
Leather, tanned unwrought . .	235	195	- 40	1,465	1,225	- 240	1,701	1,422	- 279
Leather, wrought, boots and shoes	1,333	1,227	- 106	294	353	+ 59	1,627	1,580	- 47
Leather, wrought, other articles unenumerated . . .	172	129	- 43	121	226	+ 105	294	355	+ 61
Linen, yarn	2	5	+ 3	984	960	- 24	986	965	- 21
Linen, manufactures, piece goods—									
Plain, unbleached, and bleached	606	479	- 127	3,407	3,009	- 398	3,653	3,488	- 165
Checked, printed, dyed, damask, and diapers	66	60	- 6	140	338	+ 198	206	399	+ 193
Sail cloth and sails	95	84	- 11	87	108	+ 21	183	192	+ 9

DESCRIPTION.	TO BRITISH POSSESSIONS.			TO FOREIGN COUNTRIES.			TOTAL TO ALL PLACES.		
	1885.	1895.	+ or - '95 v. '85.	1885.	1895.	+ or - '95 v. '85.	1885.	1895.	+ or - '95 v. '85.
Linen, thread for sewing . . .	£ 65	£ 74	+ 9	£ 270	£ 189	- 81	£ 336	£ 263	- 73
„ manufactures unenum- merated . . .	88	174	+ 86	492	832	+ 340	581	1,006	+ 425
Lucifers and vests matches . .	144	77	- 67	16	9	- 7	160	87	- 73
Machinery and millwork, steam engines or parts thereof—									
Locomotive . . .	1,129	367	+ 762	528	430	- 98	1,658	798	- 860
Agricultural . . .	70	50	- 20	509	595	+ 86	579	646	+ 67
Other descriptions . . .	386	572	+ 186	1,099	766	- 333	1,486	1,338	- 148
Machinery and millwork, not steam-engines—									
Agricultural . . .	79	70	- 9	488	727	+ 239	567	797	+ 230
Sewing machines . . .	39	56	+ 17	332	857	+ 525	372	918	+ 541
Other descriptions . . .	1,712	2,744	+ 1,032	4,710	7,912	+ 3,201	6,422	10,015	+ 3,593
Manure . . .	240	244	+ 4	1,486	1,703	+ 217	1,726	1,948	+ 222
Meat . . .	131	184	+ 53	116	213	+ 97	248	397	+ 149
Medicines . . .	551	658	+ 107	291	389	+ 98	842	1,048	+ 206
Metals, unenumerated and manufactures thereof . . .	92	120	+ 28	387	337	+ 50	479	458	- 21
Musical instruments and parts thereof . . .	147	108	- 39	73	51	- 22	221	159	- 62
Oils, all kinds of . . .	272	316	+ 44	1,441	1,003	- 438	1,714	1,008	- 706
Oil and floor cloth, including indiarubber cloth . . .	205	280	+ 75	406	576	+ 170	611	857	+ 246
Painters' colours, materials, un- enumerated . . .	558	658	+ 100	664	898	+ 234	1,222	1,556	+ 334
Paper, writing or printing, and envelopes . . .	854	655	- 199	285	300	+ 15	1,139	956	- 183
Paper hangings . . .	94	86	- 8	59	61	+ 2	153	148	- 5
Paper, pasteboard, millboard, etc. (and playing cards) . . .	35	36	+ 1	12	9	- 3	48	45	- 3
Paper, unenumerated and arti- cles of paper (except papier mâché) . . .	144	132	- 12	95	153	+ 58	240	285	+ 45
Perfumery of all sorts . . .	47	46	- 1	69	50	- 19	117	97	- 20
Pickles, vinegar, sauces, condi- ments, preserved fruits, and confectionery . . .	878	?	?	445	465	+ 20	1,324	1,236	- 88
Pictures . . .	41	14	- 27	195	324	+ 129	236	338	+ 102
Plate, silver . . .	29	14	- 15	34	23	- 11	64	38	- 26
Plated and gilt wares . . .	165	160	- 5	96	146	+ 50	261	306	+ 45
Prints, engravings, drawings . .	58	35	- 23	90	85	- 5	149	120	- 29
Provisions, unenumerated . . .	293	304	+ 11	336	212	- 94	630	546	- 84
Rags (except woollen) and other materials for making paper . .	7	8	+ 1	414	284	- 130	421	293	- 128
Saddlery and harness . . .	274	284	+ 10	111	190	+ 79	385	474	+ 89
Salt (rock and white) . . .	332	302	- 30	339	243	- 96	672	546	- 126
Saltpetre . . .	7	9	+ 2	27	34	+ 7	35	44	+ 9
Seeds of all sorts . . .	75	64	- 11	122	119	- 3	197	263	+ 66
Silk, thrown, twist, and yarn . .	6	13	+ 7	370	282	- 88	376	296	- 80
Silk, manufactures of silk only—									
Broad stuffs of silk or satin . .	68	38	- 30	368	297	- 71	436	335	- 101
Handkerchiefs, scarfs, shawls . .	310	326	+ 16	77	60	- 17	388	386	- 2
Ribbons of all kinds . . .	39	24	- 15	6	8	- 2	45	32	- 13
Lace . . .	60	31	- 29	120	109	- 11	180	140	- 40
Unenumerated . . .	75	51	- 24	82	97	+ 15	157	149	- 8
Silk, manufactures of silk and other materials—									
Broad stuffs . . .	134	85	- 49	547	259	- 288	681	345	- 336
Other kinds . . .	17	24	+ 7	50	20	- 30	67	44	- 23

DESCRIPTION.	TO BRITISH POSSESSIONS.			TO FOREIGN COUNTRIES.			TOTAL TO ALL PLACES.		
	1885.	1895.	+ or - '95 r. '85.	1885.	1895.	+ or - '95 r. '85.	1885.	1895.	+ or - '95 r. '85.
	£	£	£	£	£	£	£	£	£
Skins and furs, all kinds of . . .	31	55	+ 24	255	265	+ 10	840	1,087	+ 247
Soap	301	457	+ 156	178	299	+ 121	472	756	+ 284
Spirits, British and Irish . . .	730	1,231	+ 501	141	327	+ 186	872	1,559	+ 687
Stationery, other than paper . .	454	436	- 18	399	423	+ 24	853	860	+ 7
Stones and slates—									
By tale	56	17	- 39	186	158	- 28	242	176	- 66
Grindstones, millstones, and other	17	27	+ 10	74	114	+ 40	91	141	+ 50
Sugar, refined and candy . . .	102	64	- 38	659	500	- 159	762	574	- 188
" molasses, treacle, syrup, and glucose	14	21	+ 7	162	126	- 36	177	148	- 29
Telegraph wires and apparatus .	279	246	- 33	490	535	+ 45	770	782	+ 12
Tin, unwrought	23	34	+ 11	388	349	- 39	411	383	- 28
Umbrellas and parasols . . .	379	356	- 23	128	99	- 29	508	455	- 53
Wood and timber—									
Staves and empty casks . . .	30	77	+ 47	69	28	- 41	99	106	+ 7
Unenumerated manufactures .	200	161	- 39	131	113	- 18	332	275	- 57
Wool, sheep and lambs (British)	36	16	- 20	896	842	- 54	933	858	- 75
" others	14	11	- 3	759	2,086	+ 1,327	773	2,098	+ 1,325
Woollen and worsted manu- factures—									
Woollen yarn (carded) . . .	19	23	+ 4	334	95	- 240	353	118	- 235
Worsted yarn (combed) . . .	79	53	- 26	3,049	5,199	+ 1,250	4,028	5,253	+ 1,225
Woollen and worsted tissues of various wool kinds *									
Flannels	404	300	- 104	33	69	+ 36	437	369	- 68
Carpets (not being rugs) . .	417	282	- 135	770	570	- 200	1,188	853	- 335
Blankets	308	250	- 58	190	243	+ 53	498	494	- 4
Shawls	89	48	- 41	95	43	- 52	184	92	- 92
Rugs, coverlets, wrappers . .	101	259	+ 158	228	190	- 38	330	450	+ 120
Hosiery	253	444	+ 191	301	388	+ 87	555	832	+ 277
Small wares	92	73	- 19	115	115	same	208	188	- 20
Zinc or spelter, crude in cakes	56	31	- 25	18	77	+ 59	74	109	+ 35
Zinc or spelter, manufactures of	19	16	- 3	7	4	- 3	27	20	- 7

* 1885 and 1895 classification different, and prevents comparisons.

ANNEX No. 11.

LIST OF PRINCIPAL STATISTICAL BOOKS CONSULTED.

THE Annual Statements of the Trade of the United Kingdom with Foreign Countries and British Possessions for 1885, 1890 and 1895.

Statistical Abstracts for the United Kingdom from 1865 to 1895.

Statistical Tables showing the Progress of British Trade and Production, 1854-95.

The Annual Statements of Trade of British India for 1885 and 1895.

Statistical Abstract relating to British India, 1884-5 to 1893-4.

Statistical Abstract for the several Colonial and other Possessions of the United Kingdom, 1880 to 1894.

Statistical Abstracts for Principal and other Foreign Countries, 1884 to 1895.

Various Statistical publications of our principal Colonies for 1885 and 1895.

For Germany, "Statistik des Deutschen Reichs. Waarenverkehr mit dem Auslande," 1885 (Bänder, 19 and 20).

"Answärtiger Handel des deutschen Zollgebiets im Jahre 1895" (Theile 1 and 2).

"Statistisches Jahrbuch für das Deutsche Reich," for 1885, 1890 and 1895.

"Annual returns of the Foreign Trade of the Empire of Japan" from 1888 to 1895.

ANNEX No. 12.

COMMERCIAL TREATY BETWEEN GERMANY AND JAPAN, SIGNED APRIL 4,
1896.

Extract from *Board of Trade Journal* of January, 1896.

"THE following are the more important modifications from the Anglo-Japanese treaty of 1894, on which it is based.

"By Art. III. of the German treaty, the nationals of each of the contracting parties may lease lands for residential, industrial, and commercial purposes. (The word 'industrial' does not occur in the British treaty.)

"Arts. VIII. and IX. of the German treaty, relating to importation of patterns and the imposition of inland duties, are new, and read as follows :—

"Art. VIII. Articles liable to duty imported as patterns by merchants, tradesmen, and commercial travellers of one of the contracting parties, who visit the territories of the other contracting party, will mutually be exempt from import and export duty on the understanding that, if not sold within the period determined by the law of the land, they shall be re-exported, subject to the fulfilment of the Customs regulations necessary for the re-exportation or for the return into bond. The re-exportation of patterns must be immediately guaranteed in both countries at the first place of import, by depositing the amount of the necessary Custom duties or by insurance.

"Further, pattern cards and patterns in cut pieces, and samples, so long as they are only intended for use as such, will be mutually admitted free of import duty, even though imported in a different manner to that mentioned in the preceding paragraph.

"Art. IX. Should an inland tax be raised on the manufacture, production, or consumption of an article within the territories of one of the contracting parties, either in the whole country or in a limited district, whether on account of the State or on account of a commune or corporation, such article may, if imported from the territories of the other contracting party, be subjected in that country or that district only to a similar and no higher and or more onerous tax.

"No (inland) duties of any kind may be raised if in the country or district in question similar articles are not produced or manufactured, or, if the articles are produced or manufactured there, they are not subjected to the same duty.

"An additional clause is inserted in Article XVIII., facilitating the acquisition of proprietary rights by foreigners.

"By Article XXI. the treaty is to take effect at the expiration of one year

after the Japanese Government shall have notified their wish to put it in force, but in no case before the 17th July, 1899 (thereby bringing it into line with the earliest date for putting the Anglo-Japanese treaty in force), but with the following important modification, viz., that Article XVII., dealing with the protection of trade-marks, etc., shall come into force on the day of the exchange of ratifications, provided no other date shall be fixed beforehand by the contracting parties.

"By Article XXII. the ratifications are to be exchanged at Berlin as soon as possible.

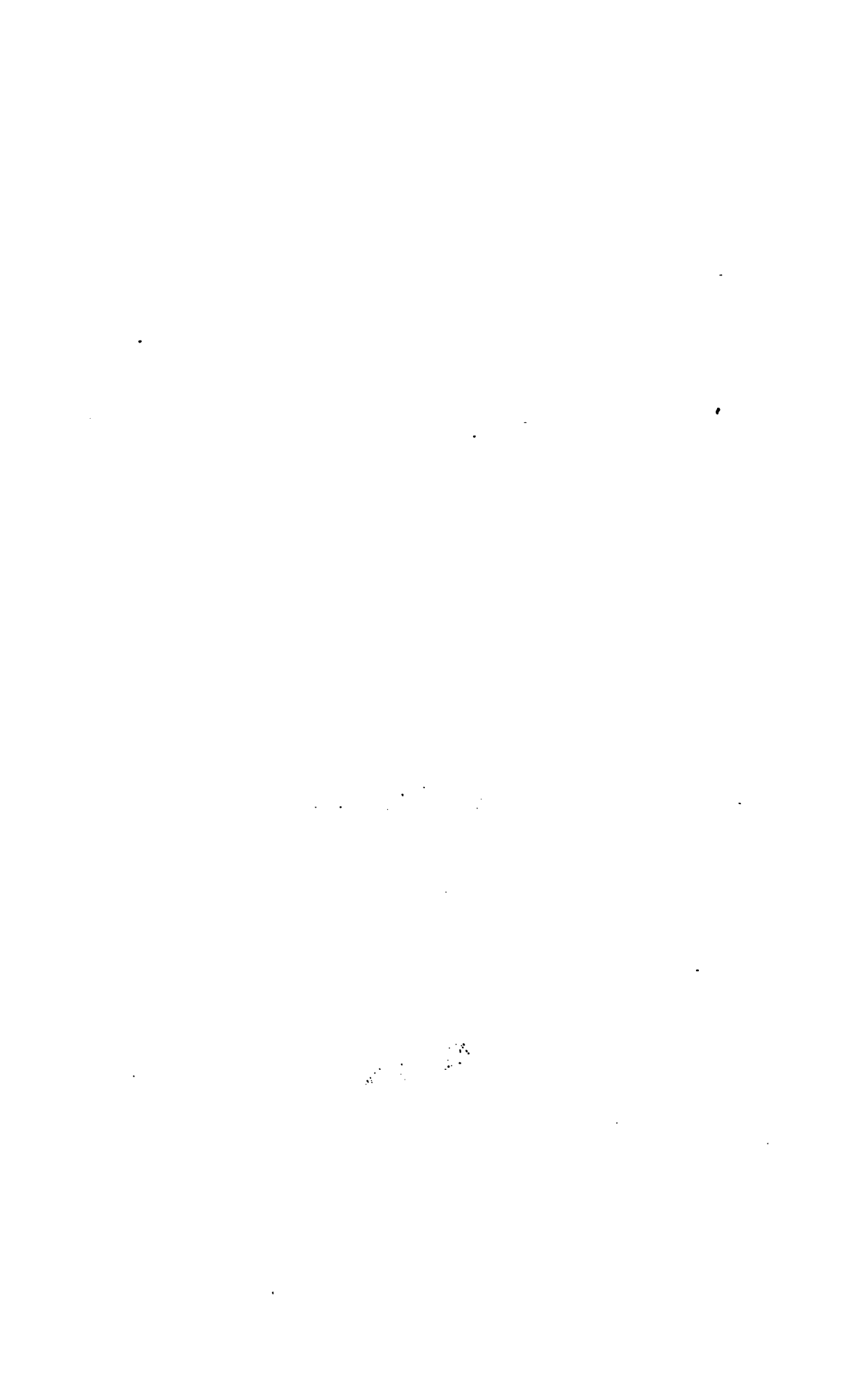
"The treaty specifies the following tariff of *ad valorem* rates of duty as applicable to the articles therein enumerated, as far as they are of German produce or manufacture, upon importation into Japan.

ITEM.	ARTICLES.	<i>Ad Valorem</i> Rates of Duty.
		Per cent.
	Cottons—	
1	Velvets, velveteens	10
2	Tissues of all sorts not otherwise specified in the tariff, plain or mixed, with tissues of flax, hemp, or other fibre, including wool, the cotton, however, predominating	10
	Lead—	
3	Pig, ingot, and slab	5
	Chemicals and medicines—	
4	Amorphous and phosphorus	10
5	Subnitrate of bismuth	10
6	Bromide	10
7	Quinine	8
8	Chlorate of potash	10
9	Dynamite	10
10	Arsenite of iodine of potassium	10
11	Nitrate of potash	5
12	Salicylic acid	10
	Wire—	
13	Telegraph wire	5
14	Iron and steel wire, and small rod iron and steel, not exceeding $\frac{1}{4}$ th inch English in diameter	10
	Iron and steel—	
15	Pig and ingot	5
16	Rails	5
	Bar rod plate and sheet—	
17	Iron	7 $\frac{1}{2}$
18	Steel	7 $\frac{1}{2}$
19	Galvanized tin, flat and corrugated	10
20	Soldering tin	10
21	Tubes	10
22	Railway passenger carriage, or parts thereof	5
23	Iron nails and wire tacks	10
24	Iron screws, bolts, and nuts, and the same galvanised	10
	Glass, window, ordinary:	
25	Uncoloured and unstained	8
26	Coloured, stained, or ground	10
	Paints and painting material—	
27	Aniline dyes	10
28	Alizarine dyes	10
29	Extract of logwood	10
30	Oil paints	10

ITEM.	ARTICLES.	<i>Ad Valorem</i> Rates of Duty.
		Per cent.
	Yarns—	
31	Cotton	8
32	Flax, hemp, or jute for weaving	8
	Wool and worsted—	
33	For weaving	8
34	For other purposes	8
35	Yarns of all kinds not otherwise provided for in this tariff	10
36	Half-silk satin and silk-faced cotton satins	10
37	Hops	5
38	Hats, including felt hats	10
39	Caoutchouc, manufactures of	10
40	Flax tissues	10
	Leather—	
41	Sole	15
42	Other kinds	10
43	Locomotives, and parts thereof	5
	Milk—	
44	Condensed or desiccated	5
45	Sterilised	5
46	Paper, of all kinds	10
47	Paraffin oil	10
48	Paraffin wax	5
49	Portland cement	5
50	Clocks (exclusive of watches), and parts thereof	10
	Woollen (and worsted) tissues of all kinds, plain or mixed with other materials; the wool, however, predominating—	
51	Coverings	10
52	Flannel	10
53	Muslin	10
54	Cloth	10
55	Italian cloth	10
56	Other tissues	10
	Zinc—	
57	Block, pig, and slab	5
58	Sheet	7½
59	Refined sugar	10

" Import duties payable *ad valorem* under this tariff shall be calculated on the actual cost of the articles at the place of purchase, production, or fabrication, with the additional cost of insurance and transportation from the place of purchase, production, or fabrication, to the port of discharge, as well as commission, if any exists.

" In the protocol attached to the treaty it is provided that the *ad valorem* duties established by the above tariff shall, so far as may be deemed practicable, be converted into specific duties, to be reckoned in the existing Japanese silver currency, by a supplementary convention, which shall be concluded between the two Governments as soon as possible; the medium prices, as shown by the Japanese Customs returns during the six calendar months preceding the date of the present protocol, with the addition of the cost of transportation from the place of purchase, production, or fabrication to the port of discharge, as well as commission, if any, shall be taken as the basis of such conversion."



Stanford University Libraries



3 6105 005 005 108

STANFORD UNIVERSITY LIBRARIES
STANFORD AUXILIARY LIBRARY
STANFORD, CALIFORNIA 94305-6004
(415) 723-9201

All books may be recalled after 7 days

DATE DUE

28D MAR 27 1995

28D MAY 21

28D MAY 25 1996

JUL 1 2002

JUL 09 2002

